

Infrastructure Canada

Departmental Performance Report (DPR)

2013–2014

The Honourable Denis Lebel, P.C., M.P.

Minister of Infrastructure, Communities and Intergovernmental Affairs, and
Minister of the Economic Development Agency of Canada for the Regions of Quebec

Canada

This publication is available upon request in accessible formats.

Contact:

Communications Directorate
Infrastructure Canada
180 Kent Street, Suite 1100
Ottawa, Ontario K1P 0B6
National information line on infrastructure: 613-948-1148
Telephone toll free: 1-877-250-7154
TTY #: 1-800-465-7735
Email: info@infcc.gc.ca

This publication is available online at:

<http://www.tbs-sct.gc.ca/ems-sgd/esp-pbc/dpr-rmr-eng.asp>
and at: <http://infrastructure.gc.ca/pub/index-eng.html>.

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Table of Contents

| | |
|---|-----------|
| FOREWORD | i |
| MINISTER'S MESSAGE | 1 |
| SECTION I: ORGANIZATIONAL OVERVIEW | 3 |
| 1.1 Organizational Profile | 3 |
| 1.2 Organizational Context Responsibilities | 4 |
| 1.2.1 <i>Raison d'être</i> | 4 |
| 1.2.2 <i>Responsibilities</i> | 4 |
| 1.3 Strategic Outcomes and Program Alignment Architecture (PAA) | 10 |
| 1.4 Organizational Priorities | 11 |
| 1.5 Risk Analysis | 15 |
| 1.6 Actual Expenditures | 17 |
| 1.6.1 <i>Summary of Performance</i> | 19 |
| 1.6.2 <i>Alignment of Spending with the Whole-of-Government Framework</i> | 20 |
| 1.7 Departmental Spending Trend | 21 |
| 1.8 Estimates by Vote | 21 |
| SECTION II: ANALYSIS OF PROGRAMS BY STRATEGIC OUTCOMES | 22 |
| 2.1 Strategic Outcome 1 | 22 |
| 2.1.1 <i>Program: Provincial-Territorial Infrastructure Base Fund</i> | 23 |
| 2.1.2 <i>Program: Gas Tax Fund</i> | 25 |
| 2.2 Strategic Outcome 2 | 27 |
| 2.2.1 <i>Program: Building Canada Fund-Communities Component</i> | 29 |
| 2.2.2 <i>Program: Building Canada Fund-Major Infrastructure Component</i> | 31 |
| 2.2.3 <i>Program: Green Infrastructure Fund</i> | 33 |
| 2.2.4 <i>Program: Canada Strategic Infrastructure Fund</i> | 35 |
| 2.2.5 <i>Program: Municipal Rural Infrastructure Fund</i> | 37 |
| 2.2.6 <i>Program: Border Infrastructure Fund</i> | 39 |
| 2.2.7 <i>Program: Economic Analysis and Research</i> | 40 |
| 2.3 Program: Internal Services | 41 |



| | |
|---|-----------|
| SECTION III: SUPPLEMENTARY INFORMATION | 45 |
| 3.1 Financial Highlights | 45 |
| 3.2 Financial Statements | 47 |
| 3.3 List of Supplementary Information Tables | 47 |
| 3.4 Tax Expenditures and Evaluations Report | 48 |
| SECTION IV: ORGANIZATIONAL CONTACT INFORMATION | 49 |
| APPENDIX: DEFINITIONS | 50 |
| ENDNOTES | 52 |

Foreword

Departmental Performance Reports are part of the Estimates family of documents. Estimates documents support appropriation acts, which specify the amounts and broad purposes for which funds can be spent by the government. The Estimates document family has three parts. Part I (Government Expenditure Plan) provides an overview of federal spending. Part II (Main Estimates) lists the financial resources required by individual departments, agencies and Crown corporations for the upcoming fiscal year.

Part III (Departmental Expenditure Plans) consists of two documents. Reports on Plans and Priorities (RPPs) are expenditure plans for each appropriated department and agency (excluding Crown corporations). They describe departmental priorities, strategic outcomes, programs, expected results and associated resource requirements, covering a three-year period beginning with the year indicated in the title of the report. Departmental Performance Reports (DPRs) are individual department and agency accounts of actual performance, for the most recently completed fiscal year, against the plans, priorities and expected results set out in their respective RPPs. DPRs inform parliamentarians and Canadians of the results achieved by government organizations for Canadians.

Additionally, Supplementary Estimates documents present information on spending requirements that were either not sufficiently developed in time for inclusion in the Main Estimates or were subsequently refined to account for developments in particular programs and services.

The financial information in DPRs is drawn directly from authorities presented in the Main Estimates and the planned spending information in RPPs. The financial information in DPRs is also consistent with information in the Public Accounts of Canada. The Public Accounts of Canada include the Government of Canada Consolidated Statement of Financial Position, the Consolidated Statement of Operations and Accumulated Deficit, the Consolidated Statement of Change in Net Debt, and the Consolidated Statement of Cash Flow, as well as details of financial operations segregated by ministerial portfolio for a given fiscal year. For the DPR, two types of financial information are drawn from the Public Accounts of Canada: authorities available for use by an appropriated organization for the fiscal year, and authorities used for that same fiscal year. The latter corresponds to actual spending as presented in the DPR.

The Treasury Board *Policy on Management, Resources and Results Structures* further strengthens the alignment of the performance information presented in DPRs, other Estimates documents and the Public Accounts of Canada. The policy establishes the Program Alignment Architecture of appropriated organizations as the structure against which financial and non-financial performance information is provided for Estimates and parliamentary reporting. The same reporting structure applies irrespective of whether the organization is reporting in the Main Estimates, the RPP, the DPR or the Public Accounts of Canada.

A number of changes have been made to DPRs for 2013–2014 to better support decisions on appropriations. Where applicable, DPRs now provide financial, human resources and performance information in Section II at the lowest level of the organization's Program Alignment Architecture.

In addition, the DPR's format and terminology have been revised to provide greater clarity, consistency and a strengthened emphasis on Estimates and Public Accounts information. As well, departmental reporting on the Federal Sustainable Development Strategy has been consolidated into a new supplementary information table posted on departmental websites. This new table brings together all of the components of the Departmental Sustainable Development Strategy formerly presented in DPRs and on departmental websites, including reporting on the Greening of Government Operations and Strategic Environmental Assessments. Section III of the report provides a link to the new table on the organization's website. Finally, definitions of terminology are now provided in an appendix.

Minister's Message

As Canada's Minister of Infrastructure, Communities and Intergovernmental Affairs, and Minister of the Economic Development Agency of Canada for the Regions of Quebec, I am pleased to present Infrastructure Canada's Departmental Performance Report for 2013-2014. The report outlines the achievements of the Department over the past year, as it delivered on the Government of Canada's unprecedented commitments to modernizing public infrastructure.



This past year saw the implementation of the \$53 billion New Building Canada Plan (NBCP), the largest and longest federal infrastructure plan in our nation's history. The NBCP provides stable funding over a 10-year period and supports projects that enhance economic growth, job creation and productivity across Canada.

In March 2014, Infrastructure Canada launched the \$14 billion New Building Canada Fund (NBCF), ahead of schedule. Only a few weeks later, the Government of Canada announced support for the Valley Line Stage 1 Light Rail Transit expansion project in Edmonton, Alberta. This project was the first to be identified for funding following the launch of the New Building Canada Fund. Since then, we have continued to work with provinces and territories to provide funding for several projects under the New Building Canada Fund.

In addition to the New Building Canada Fund, Infrastructure Canada has been working with all provincial and territorial governments to finalize the renewed federal Gas Tax Fund agreements that will govern the flow of federal funds over the next 10 years, from 2014-2015 to 2023-2024. The renewed Gas Tax Fund has been made permanent and will be indexed at 2 per cent per year, with increases to be applied in \$100 million increments, starting in 2014. Over the 10-year life of the Plan, the Gas Tax Fund will deliver close to \$22 billion in funding for municipalities. Renewed Gas Tax Fund agreements have now been signed with all jurisdictions.

As we implement the New Building Canada Plan, we are ensuring a seamless transition from previous programs with funding continuing to flow steadily to projects across the country. Our total investment through the NBCP will be approximately \$53 billion from 2014-15 to 2023-24, an average of \$5.35 billion per year to support projects across Canada over the next ten years.

This year, in addition to delivering new and ongoing infrastructure programs, Infrastructure Canada also acquired responsibility of the overall management of the new bridge for the St. Lawrence corridor project in Montreal (Quebec). This is one of the largest infrastructure projects in North America and includes not only the new bridge for the St. Lawrence, but a new Nuns' Island Bridge, and reconstruction and widening of the federal portion of Highway 15. The Government of Canada launched the procurement process for this public-private partnership project on March 17, 2014 and is committed to having the new bridge open by December 2018 and the rest of the corridor completed by December 2020.

The Government of Canada's unprecedented investments in infrastructure are making a real difference in the lives of Canadians. As a result of these investments the average age of core public infrastructure has declined from its peak of 17.8 years in 2000 to 14.7 years in 2013, its youngest age since data was initially collected in 1961.

Looking forward, Infrastructure Canada will continue to contribute to the Government of Canada's key priorities by implementing the New Building Canada Plan and delivering the new bridge for the St. Lawrence on time and on budget and by supporting infrastructure projects across Canada that encourage job creation and economic growth and that contribute to the quality of life of all Canadians.

The Honourable Denis Lebel, P.C., M.P.

Minister of Infrastructure, Communities and Intergovernmental Affairs, and
Minister of the Economic Development Agency of Canada for the Regions of Quebec

Section I: Organizational Expenditure Overview

1.1 Organizational Profile

Minister: The Honourable Denis Lebel, P.C., M.P.

Deputy Head: Louis Lévesque

Ministerial Portfolio: Minister of Infrastructure, Communities and Intergovernmental Affairs, and Minister of the Economic Development Agency of Canada for the Regions of Quebec

Effective July 15, 2013, Order in Council P.C. 2013-0869 transferred Infrastructure Canada from Transport Canada to the President of the Queen's Privy Council for Canada. As a result, Infrastructure Canada's operating and contribution vote numbers have changed. Of note, there have been no changes to the Minister or Deputy Minister responsible for Infrastructure Canada.

Furthermore, as per Order in Council P.C. 2014-144 dated February 10, 2014, ministerial responsibility for the Federal Montreal Bridges group, which includes the new bridge for the St. Lawrence (NBSL) corridor project and the Jacques Cartier and Champlain Bridges Incorporated (JCCBI) was transferred from the Minister of Transport to the Minister of Infrastructure, Communities and Intergovernmental Affairs, and Minister of the Economic Development Agency of Canada for the Regions of Quebec, effective February 13, 2014.

Year Established: The Office of Infrastructure of Canada was established in 2002.

Main Authorities: The following provide authorities for Infrastructure Canada:

- *Canada Strategic Infrastructure Fund Act*¹, (2002, c. 9, s. 47) (CSIF);
- Order in Council PC 2004-0325; and
- The following legislations related to the Gas Tax Fund:
 - *Keeping Canada's Economy and Jobs Growing Act*², S.C. 2011, c. 24.
 - *Economic Action Plan 2013 Act, No. 1*³, S.C. 2013, c. 33, section 233.

Other: Infrastructure Canada works in collaboration with other federal departments and agencies to deliver its programs. These departments and agencies share their knowledge of local needs and priorities. Infrastructure Canada's federal delivery partners are:

- Atlantic Canada Opportunities Agency;
- Economic Development Agency of Canada for the Regions of Quebec;
- Canadian Northern Economic Development Agency;
- Federal Economic Development Agency for Southern Ontario;
- Transport Canada; and
- Western Economic Diversification Canada.

1.2 Organizational Context

1.2.1 Raison d'être

Strong, modern, world-class public infrastructure is a key factor in achieving the Government of Canada's priorities of a stronger economy, a cleaner environment, and more prosperous, safer communities. Infrastructure Canada leads the Government of Canada's efforts in addressing Canada's public infrastructure challenges.

1.2.2 Responsibilities

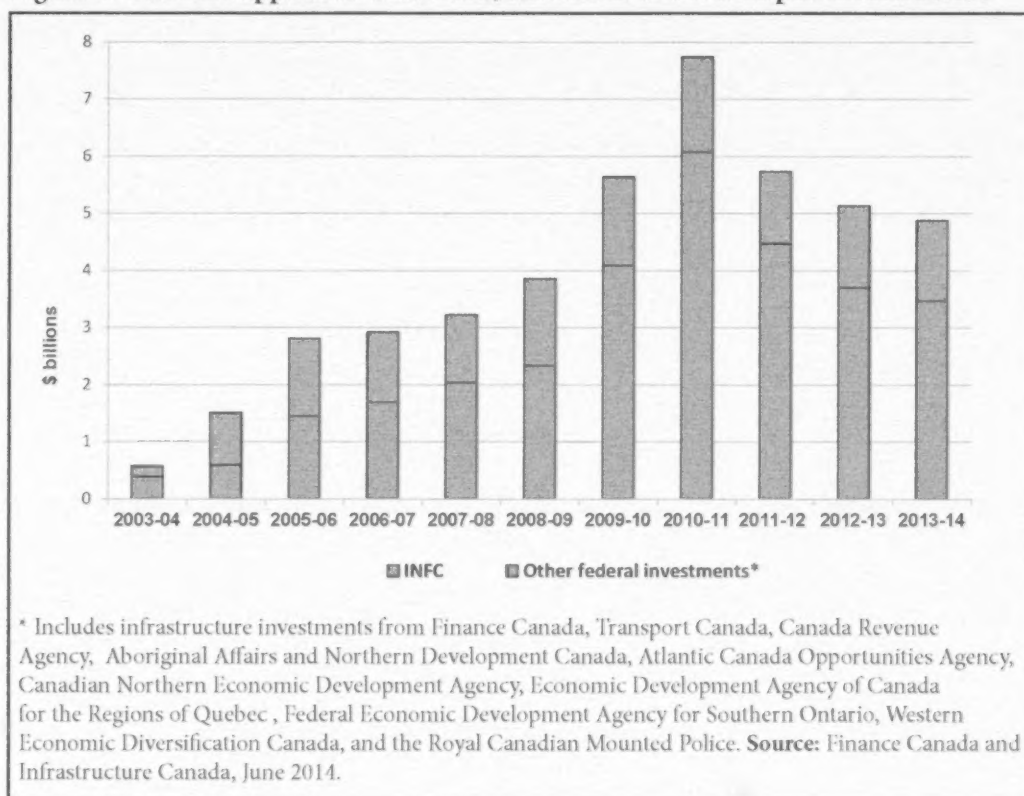
1. Overview

As shown in **Figure 1**, Infrastructure Canada is the main department responsible for federal efforts to enhance Canada's public infrastructure. This is accomplished through three main activities: investments in provincial, territorial and municipal assets; engagement in key partnerships with the provinces, territories, municipalities and the private sector; and the development and implementation of sound policies. Established in 2002, the Department ensures that Canadians benefit from world-class public infrastructure from coast to coast to coast.

In addition to the above core responsibilities, on February 13, 2014, ministerial responsibility for the Federal Montreal Bridges group, which includes the new bridge for the St. Lawrence corridor project and oversight of the Crown Corporation, the Jacques Cartier and Champlain Bridges Incorporated, was transferred from Transport Canada to Infrastructure Canada.

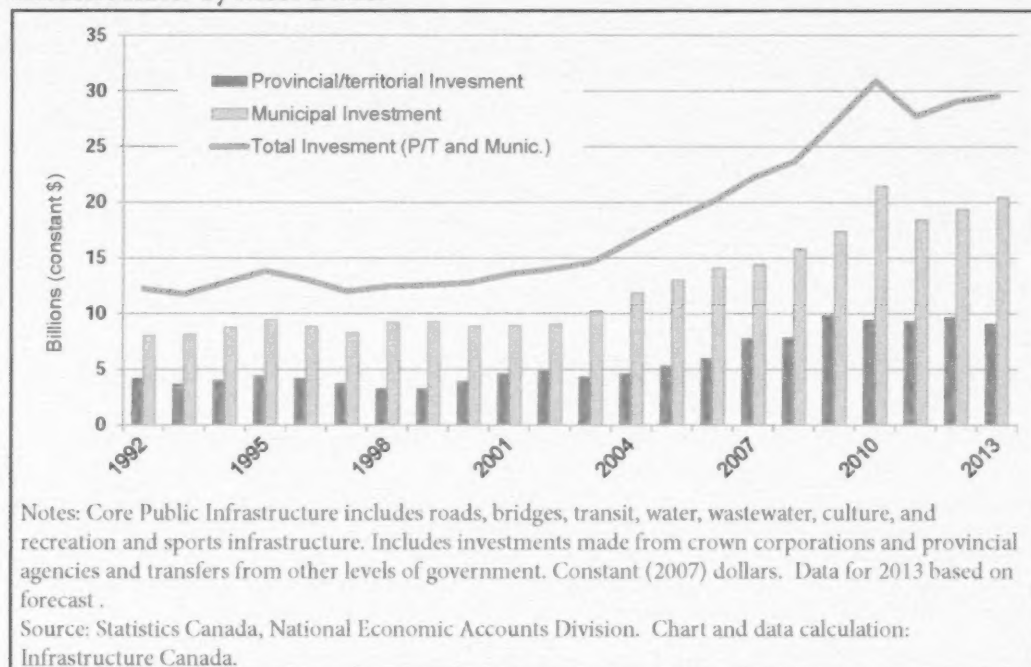
Federal support for public infrastructure has increased significantly over the past decade (**Figure 1**). Infrastructure Canada is the key contributor of federal support.

Figure 1: Federal Support for Provincial, Territorial and Municipal Infrastructure



The Government of Canada's investments in public infrastructure over the past decade have leveraged funding from provinces, territories, municipalities and other partners, resulting in a significant overall increase in investments in the country's core public infrastructure (**Figure 2**). When combined, provincial/territorial and municipal infrastructure investments (in constant dollars) represented close to \$30 billion in 2013.

Figure 2: Provincial/Territorial and Municipal Investments in Core Public Infrastructure* by Asset Owner



The Importance of Public Infrastructure Investments

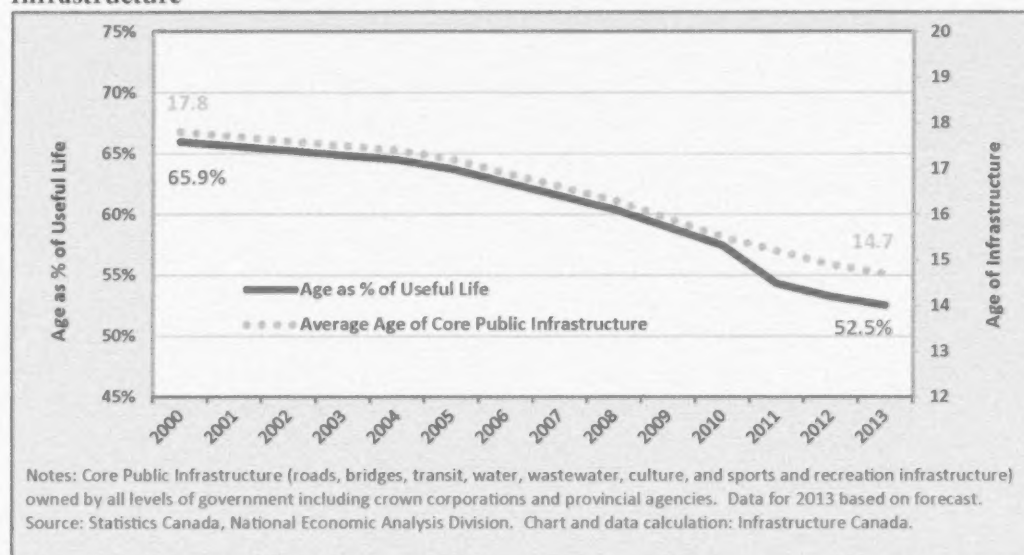
Canada's public infrastructure forms the backbone of the nation and contributes to prosperity. From the water we drink to the roads we drive on, infrastructure benefits all Canadians every day. Quality of life, prospering communities and a resilient economy depend, in large part, on our systems of public infrastructure. Public infrastructure investments support economic growth and productivity by allowing goods and people to move more efficiently, facilitating trade activities, promoting local and regional development and supporting job creation.

Over the past decade, provincial, territorial and municipal governments, with funding support from the Government of Canada, have taken great strides in responding to infrastructure investment needs and building a prosperous Canada. Increased and sustained investments by all levels of government, in recent years have contributed to the ongoing renewal and improvement of Canada's core public infrastructure. As seen in **Figure 3**, the average age of core public infrastructure is decreasing. From its peak of 17.8 years in 2000, the average age of core public infrastructure is forecasted at 14.7 years for 2013¹, its youngest age since data was initially collected in 1961.

¹ Infrastructure Canada receives Capital and Repair Expenditures Survey subset data on an annual basis from Statistics Canada. The new dataset received in 2014 is a more comprehensive dataset with better coverage of industries, and their establishments, engaged in operations and services that invest in public infrastructure, including crown corporations and provincial agencies. In addition, annual revisions are made based on survey revisions and national account adjustments. Although the new data presents slight differences than in previous departmental Estimate documents, there is no change in terms of overall infrastructure rejuvenation trends.

Great advances have been made to lower the average age of infrastructure as a percentage of useful life. In Statistics Canada's terms, the "useful life" of an asset is its estimated productive life at the time of its acquisition. Between 2000 and 2013, the average age of Canada's core public infrastructure as a percentage of useful life fell from 65.9 percent to 52.5 percent, due in part to increased public investments in infrastructure.

Figure 3: Average Age and Age as a Percentage of Useful Life of Core Public Infrastructure



The New Building Canada Plan: Building on Recent Successes

In 2007, the Government of Canada launched the \$33-billion Building Canada plan, the first long-term, federal plan for infrastructure. Through this plan, the Government of Canada supported thousands of projects that have given Canadians access to better public infrastructure, and have strengthened the national economy.

In Canada's Economic Action Plan announced in Budget 2009, the government acknowledged the important role infrastructure plays in stimulating and supporting the Canadian economy. As part of the plan, the \$4-billion Infrastructure Stimulus Fund was established for construction-ready infrastructure projects, the Building Canada Fund-Communities Component was topped up with supplementary funding, the \$1-billion Green Infrastructure Fund was created, and the Provincial-Territorial Infrastructure Base Fund and the Building Canada Fund were accelerated to get projects started sooner than otherwise possible.

More recently, in Budget 2013, the Government of Canada's Economic Action Plan 2013 introduced a 10-year, \$53-billion New Building Canada Plan to support public infrastructure projects of national, regional and local significance across the country. The New Building Canada Plan, which includes the renewed federal Gas Tax Fund and the New Building Canada Fund (launched in March 2014), is the largest federal infrastructure plan in the nation's history. It builds on the success of past federal infrastructure programs to promote economic growth, job creation, productivity gains, and a high quality of life for Canadians.

II. Transfer Payment Programs

Infrastructure Canada's suite of transfer payment programs addresses local and regional infrastructure needs while advancing national priorities. These programs help to make Canada's economy stronger, keep people and goods on the move, and contribute to cleaner air and water. In 2013-2014, the Department delivered funding through three general mechanisms*:

Base Funding

Funding is directed to provincial, territorial and municipal governments, addressing priorities in every jurisdiction and supporting the restoration of fiscal balance. Through the Provincial-Territorial Infrastructure Base Fund (\$2.3 billion announced in Budget 2007), each jurisdiction receives base funding to address their core infrastructure priorities. Through the Gas Tax Fund (approximately \$2 billion annually, renewed in Budget 2013), municipalities are provided with predictable funding to address local infrastructure priorities. The renewed GTF is now indexed at 2 percent per year and will give municipalities greater flexibility to spend federal funding on a broader range of infrastructure priorities.

Competitive Economy Cleaner Environment Liveable Communities

Targeted Programs

Building Canada Fund (\$8.8 billion announced in Budget 2007) is largely delivered through two components, the *Communities Component*, oriented to projects in smaller communities, and the *Major Infrastructure Component*, oriented to larger infrastructure projects of national or regional significance. Infrastructure projects also benefit from the **Green Infrastructure Fund** (\$1 billion announced in Budget 2009), oriented to projects that improve the environment and the economy.

Sunsetting Programs

Other programs include: the Canada Strategic Infrastructure Fund (\$4.3 billion, announced in the 2001, 2003 and 2006 Budgets), supporting larger projects that sustain economic growth and improve quality of life; the Municipal Rural Infrastructure Fund (\$1.2 billion announced in Budget 2003 and augmented in 2006), enhancing liveability through small-scale municipal projects in urban and rural communities; and the Border Infrastructure Fund (\$600 million announced in Budget 2001), investing in physical and transportation system infrastructure and improved analytical capacity at border crossings.

* The allocations for Transfer Payment Programs presented on this page are the original allocations announced by the Government of Canada, and do not reflect subsequent adjustments.

1.3 Strategic Outcomes and Program Alignment Architecture (PAA)

In 2013-2014, Infrastructure Canada's Program Alignment Architecture (PAA) structure included two Strategic Outcomes and nine Programs, as well as Internal Services² to support its activities. The Programs below are discussed in detail in Section II of this report.

Strategic Outcome 1:

Provinces, territories and municipalities have federal financial support for their infrastructure priorities.

Programs

- 1.1 Provincial-Territorial Infrastructure Base Fund
- 1.2 Gas Tax Fund

Strategic Outcome 2:

Funding for quality, cost-effective public infrastructure that meets the needs of Canadians in a competitive economy, a cleaner environment and liveable communities is provided.

Programs:

- 2.1 Building Canada Fund-Communities Component
- 2.2 Building Canada Fund-Major Infrastructure Component
- 2.3 Green Infrastructure Fund
- 2.4 Canada Strategic Infrastructure Fund
- 2.5 Municipal Rural Infrastructure Fund
- 2.6 Border Infrastructure Fund
- 2.7 Economic Analysis and Research

Program that Supports All Strategic Outcomes:

Internal Services

Together, these Programs represent the Department's business lines and initiatives for the last fiscal year. All ten Programs result in the construction and enhancement of public infrastructure, contributing to the Department's Strategic Outcomes.

² Internal Services funding includes operating funding for core administration and program delivery.

In the Performance Summary Tables for Strategic Outcomes and Programs, Section 1.6 of this report, Infrastructure Canada has also included a third Strategic Outcome which was formed by the programs under the Economic Action Plan announced in January 2009. This Strategic Outcome: "Construction-ready infrastructure projects are provided with federal support", has been included in these tables as they contain figures for 2011-2012, the last year that expenses were incurred under the 2009 Economic Action Plan. Since the tables require that the Actual Spending for 2011-2012, 2012-2013, and 2013-2014 be shown, this third Strategic Outcome is necessary so that the totals can be reconciled.

The programs under the Strategic Outcome 3 are not discussed in Section II of this report.

1.4 Organizational Priorities

Five organizational priorities guided the Department's work in 2013-2014:

- Negotiate funding agreements with partners to reflect permanent Gas Tax funding (around \$2 billion annually);
- Work with funding partners in the continued implementation of existing programs, while providing prudent stewardship and oversight of these programs;
- Renew the Shared Information Management System for Infrastructure in preparation for future infrastructure programs;
- Work to develop future programming for public infrastructure that extends beyond the expiry of the Building Canada plan; and
- Pursue operational efficiencies in the effective delivery of the Department's mandate – prudent management, stewardship and implementation of its current suite of programs.

Summary of Progress Against Priorities

| Priority | Type ³ | Strategic Outcome(s) and/or Program |
|---|-------------------|---|
| Negotiate funding agreements with partners to reflect permanent Gas Tax funding (around \$2 billion annually). | New | <ul style="list-style-type: none"> • Strategic Outcome 1: Provinces, territories and municipalities have federal financial support for their infrastructure priorities. |
| Description | | |
| In September 2013, Treasury Board approved the terms and conditions of the permanent, renewed and indexed Gas Tax Fund (GTF). Following this approval, administrative agreements were shared with all jurisdictions in early November, formally launching negotiations to finalize bilateral agreements in a time that would ensure an uninterrupted transfer of GTF funds to the provinces and territories in the 2014-2015 fiscal year. | | |

³ Type is defined as follows: **previously committed to**—committed to in the first or second fiscal year prior to the subject year of the report; **ongoing**—committed to at least three fiscal years prior to the subject year of the report; and **new**—newly committed to in the reporting year of the Report on Plans and Priorities.

| Priority | Type | Strategic Outcome(s) and/or Program |
|---|---------|--|
| Work with funding partners in the continued implementation of existing programs, while providing prudent stewardship and oversight of these programs. | Ongoing | <ul style="list-style-type: none"> • Strategic Outcome 1: Provinces, territories and municipalities have federal financial support for their infrastructure priorities. • Strategic Outcome 2: Funding for quality, cost-effective public infrastructure that meets the needs of Canadians in a competitive economy, a cleaner environment and liveable communities is provided. |

Description

The Department, in collaboration with funding partners, has made progress to continue to support program implementation and oversight. Policies, procedures and tools have been developed and implemented to support sound governance and monitoring of programs. A particular focus was given to working on sunseting programs to ensure that they can be completed in a timely fashion in support of the Department's Strategic Outcomes. This has allowed the Department to meet its responsibility to provide funding for infrastructure investments that contribute to a stronger economy, a cleaner environment and prosperous communities. The Department recognizes that closing out sunseting programs is a challenge and moving forward, it will continue to work with stakeholders to ensure a timely conclusion to these programs.

| Priority | Type | Strategic Outcome(s) and/or Program |
|--|------|--|
| Renew the Shared Information Management System for Infrastructure in preparation for future infrastructure programs. | New | <ul style="list-style-type: none"> • Strategic Outcome 1: Provinces, territories and municipalities have federal financial support for their infrastructure priorities. • Strategic Outcome 2: Funding for quality, cost-effective public infrastructure that meets the needs of Canadians in a competitive economy, a cleaner environment and liveable communities is provided. |

Description

The Department concluded the Enterprise Data Warehouse re-engineering project which has increased sustainability by simplifying and improving program reporting while reducing operational costs. In 2013-2014, the Department continued to enhance the Shared Information Management System for Infrastructure (SIMSI) which is used to manage and deliver infrastructure programs. These enhancements will improve major infrastructure program management, including the support of new infrastructure programs, improved support of data quality, and information management.

Infrastructure Canada continues to work with Shared Services Canada to transfer SIMSI hosting to a Shared Services Canada data centre. The Department has made progress on hosting and service requirements definition with Shared Services Canada, and has continued detailed migration and implementation planning. The Information Management/Information Technology (IM/IT) Division expects to complete these latter two projects in fiscal year 2014-2015. They will continue to require significant user/owner engagement and oversight by the Department.

| Priority | Type | Strategic Outcome(s) and/or Program |
|---|-------------------------|--|
| Work to develop future programming for public infrastructure that extends beyond the expiry of the Building Canada plan. | Previously committed to | <ul style="list-style-type: none"> • Strategic Outcome 1: Provinces, territories and municipalities have federal financial support for their infrastructure priorities. • Strategic Outcome 2: Funding for quality, cost-effective public infrastructure that meets the needs of Canadians in a competitive economy, a cleaner environment and liveable communities is provided. |
| Description | | |
| <p>Following the conclusion of the 2011-2012 long-term infrastructure plan engagement process, Budget 2013 announced the New Building Canada Plan, a 10-year funding commitment for infrastructure that includes \$53 billion in new and existing funding for provincial, territorial, and municipal infrastructure. The New Building Canada Plan was officially launched on March 28, 2014, opening the door for infrastructure project proposals.</p> <p>Infrastructure Canada is responsible for the delivery of two funds under the New Building Canada Plan, namely the renewed and indexed Gas Tax Fund and the New Building Canada Fund. The renewed Gas Tax Fund will provide \$21.8 billion over 10 years in up-front, predictable, long-term funding for Canadian municipalities to help them build and revitalize their public infrastructure. Gas Tax Fund investments will continue to support environmental objectives of cleaner air, cleaner water and reduced greenhouse gas emissions, but will also help achieve the broad national objectives of productivity and economic growth, and strong cities and communities.</p> <p>The \$14-billion New Building Canada Fund supports infrastructure projects of national, regional and local significance through two components:</p> <ul style="list-style-type: none"> • The \$4-billion National Infrastructure Component for projects of national significance that have broad public benefits, and that contribute to Canada's long-term economic growth and prosperity; and • The \$10-billion Provincial-Territorial Infrastructure Component which provides allocated funding to provinces and territories. This component includes \$9 billion for National and Regional Projects, and \$1 billion for communities with populations under 100,000 through the Small Communities Fund. <p>The New Building Canada Fund supports economic growth and productivity, and quality of life objectives, while ensuring the best value for tax payers. Eligible project categories have been streamlined to focus on projects that have a greater economic impact; the federal cost-sharing ratio has been reduced to leverage greater funding from partners; and large infrastructure projects will be delivered in the most cost-effective manner by considering the use of a public-private partnership (P3) procurement approach.</p> | | |

| Priority | Type | Strategic Outcome(s) and/or Program |
|--|-------------------------|--|
| Pursue operational efficiencies in the effective delivery of the Department's mandate — prudent management, stewardship and implementation of its current suite of programs. | Previously committed to | <ul style="list-style-type: none"> • Strategic Outcome 1: Provinces, territories and municipalities have federal financial support for their infrastructure priorities. • Strategic Outcome 2: Funding for quality, cost-effective public infrastructure that meets the needs of Canadians in a competitive economy, a cleaner environment and liveable communities is provided. |
| Description | | |
| While Infrastructure Canada was not part of the Deficit Reduction Action Plan (DRAP), it continued to reduce its operating costs in 2013-2014. Throughout the year, the Department worked with central agencies to determine the operating resources needed to implement existing and new programs for the next ten years. | | |

1.5 Risk Analysis

In 2013-2014, the following three risks were ranked the highest in terms of achieving Infrastructure Canada's strategic outcomes.

| Risk | Risk Response | Link to Program Alignment Architecture |
|--|--|--|
| <p>The absence of an approved multi-year operating budget may impact Infrastructure Canada's capacity to fully deliver on its mandate.</p> | <p>As a result of ongoing discussions between Infrastructure Canada and central agencies, supported by the Department's application of a sound Corporate Costing Model, in 2013-2014 Infrastructure Canada secured long-term operating funding that will allow it to plan for the next ten years. This is a critical achievement to ensure sufficient operating funds are available to deliver the New Building Canada Fund starting in April 2014.</p> | <ul style="list-style-type: none"> • Provincial-Territorial Infrastructure Base Fund • Gas Tax Fund • Building Canada Fund-Communities Component • Building Canada Fund-Major Infrastructure Component • Green Infrastructure Fund • Canada Strategic Infrastructure Fund • Municipal Rural Infrastructure Fund |
| <p>Infrastructure Canada may be unable to quickly and efficiently address information management and information technology challenges for new programs over the planning period.</p> | <p>Infrastructure Canada has fostered a strong relationship with Shared Services Canada, including holding weekly meetings with the SSC Transition Team Working Group, bi-weekly meetings with the SSC Transition Directors' Team, and quarterly meetings with a DG-level SSC Transition Team. As a result, significant progress has been made, and SSC has begun to implement plans that will support the migration of the Shared Information Management System for Infrastructure (SIMSI).</p> <p>The Enterprise Data Warehouse re-engineering and Major Infrastructure Program renewal projects are well underway and will be ready to meet the Department's future needs.</p> <p>Finally, staffing initiatives have begun to increase the capacity of the IM/IT team to meet future needs.</p> | <ul style="list-style-type: none"> • Border Infrastructure Fund • Economic Analysis and Research |

| | | |
|--|--|--|
| <p>Infrastructure Canada may not be able to accurately plan for and maintain the right mix of skills in the right positions to address its uncertain mid- to long-term strategic needs.</p> | <p>The Department's Integrated Business and Human Resources Plan has been updated to support future programming needs.</p> <p>The skill level of employees is expected to increase as a result of branch specific initiatives. For example, Program Operations Branch learning and training opportunities are delivered through a grassroots working group. In the Policy and Communications Branch, assignments serve to enhance capacity through knowledge transfer in other branches or departments. Human Resources developed an interdepartmental mentoring program and continues to support the Manager's forum that is held quarterly. These initiatives should better prepare employees for upcoming challenges related to the implementation of new infrastructure programs.</p> <p>Senior executives are informed of all centralized activities to ensure capacity for delivery and to influence the timing of changes, including monthly briefings to the Departmental Management Committee on all Government of Canada centralization initiatives.</p> | |
|--|--|--|

Infrastructure Canada has recently completed its 2014 Corporate Risk Profile and has implemented additional risk responses to effectively manage its changing risk environment. These risk management activities ensure that the Departmental Management Committee is aware of emerging risk drivers and offers an opportunity to implement new measures to achieve departmental priorities and advance its Strategic Outcomes. Finally, risk management is fully integrated into Infrastructure Canada's decision-making processes, and the lessons learned from regular risk update exercises are embedded in the Department's culture at all working levels, enhancing program efficiency and stewardship.

1.6 Actual Expenditures

Budgetary Financial Resources-Total Departmental (In Dollars)

| 2013-2014 Main Estimates | 2013-2014 Planned Spending | 2013-2014 Total Authorities Available for Use | 2013-2014 Actual Spending (Authorities Used) | Difference (Actual Minus Planned) |
|--------------------------|----------------------------|---|--|-----------------------------------|
| 3,924,705,788 | 3,924,705,788 | 4,161,606,986 | 3,513,825,491 | -410,880,297 |

Human Resources (Full-Time Equivalents — FTEs)

| 2013-2014 Planned | 2013-2014 Actual | 2013-2014 Difference (Actual Minus Planned) |
|-------------------|------------------|---|
| 331 | 285 | -46 |

Budgetary Performance Summary for Strategic Outcomes and Programs (In Dollars)

| Strategic Outcomes, Programs and Internal Services | (In Dollars) | | | | | | | |
|---|--------------------------|----------------------------|----------------------------|----------------------------|---|--|--|--|
| | 2013-2014 Main Estimates | 2013-2014 Planned Spending | 2014-2015 Planned Spending | 2015-2016 Planned Spending | 2013-2014 Total Authorities Available for Use | 2013-2014 Actual Spending (Authorities Used) | 2012-2013 Actual Spending (Authorities Used) | 2011-2012 Actual Spending (Authorities Used) |
| Strategic Outcome 1: Provinces, territories and municipalities have federal financial support for their infrastructure priorities | | | | | | | | |
| Provincial-Territorial Infrastructure Base Fund | 265,490,056 | 265,490,056 | 55,351,611 | 0 ⁴ | 321,192,991 | 191,464,385 | 237,611,162 | 188,695,432 |
| Gas Tax Fund | 1,976,235,536 | 1,976,235,536 | 1,973,411,002 | 1,973,411,002 | 2,108,849,290 | 2,107,905,313 | 1,966,919,175 | 2,206,246,353 |
| Sub-Total | 2,241,725,592 | 2,241,725,592 | 2,028,762,613 | 1,973,411,002 | 2,430,042,281 | 2,299,369,698 | 2,204,530,337 | 2,394,941,785 |

⁴ There was no 2015-2016 Planned Spending for the Provincial-Territorial Infrastructure Base Fund in the 2014-2015 Report on Plans and Priorities. All funds available under this program have been committed as of March 31, 2014.

| Strategic Outcomes, Programs and Internal Services | (In Dollars) | | | | | | | |
|---|--------------------------|----------------------------|----------------------------|----------------------------|---|--|--|--|
| | 2013-2014 Main Estimates | 2013-2014 Planned Spending | 2014-2015 Planned Spending | 2015-2016 Planned Spending | 2013-2014 Total Authorities Available for Use | 2013-2014 Actual Spending (Authorities Used) | 2012-2013 Actual Spending (Authorities Used) | 2011-2012 Actual Spending (Authorities Used) |
| Strategic Outcome 2: Funding for quality, cost-effective public infrastructure that meets the needs of Canadians in a competitive economy, a cleaner environment and liveable communities is provided | | | | | | | | |
| Building Canada Fund-Communities Component | 188,733,842 | 188,733,842 | 139,431,232 | 234,823,236 | 188,868,012 | 121,255,786 | 187,045,867 | 213,883,529 |
| Building Canada Fund-Major Infrastructure Component | 942,955,457 | 942,955,457 | 707,039,728 | 696,289,242 | 955,186,117 ⁵ | 703,538,461 ⁵ | 927,179,560 | 759,827,768 |
| Green Infrastructure Fund | 125,029,717 | 125,029,717 | 89,590,129 | 81,264,887 | 125,402,876 | 85,735,908 | 117,858,252 | 30,273,740 |
| Canada Strategic Infrastructure Fund | 289,102,147 | 289,102,147 | 304,298,406 ⁶ | 192,366,941 ⁶ | 300,714,738 | 197,363,859 | 241,178,488 | 188,381,898 |
| Municipal Rural Infrastructure Fund | 78,763,106 | 78,763,106 | 0 ⁷ | 0 ⁷ | 78,863,733 | 42,891,190 | 36,718,756 | 88,043,031 |
| Border Infrastructure Fund | 22,965,393 | 22,965,393 | 51,050,180 | 18,017 | 44,177,047 | 28,261,439 | 8,099,074 | 35,041,544 |
| Economic Analysis and Research | 0 | 0 | 0 | 0 | 5,000 | 5,000 | 79,681 | 3,143,090 |
| Sub-Total | 1,647,549,662 | 1,647,549,662 | 1,291,409,675 | 1,204,762,323 | 1,693,217,523 | 1,179,051,643 | 1,518,159,678 | 1,318,594,600 |

5 The Building Canada Fund-Major Infrastructure Component (BCF-MIC)'s Total Authorities Available for Use in 2013-2014 also includes Total Authorities for the new bridge for the St. Lawrence corridor project (for a total of \$8,246,357), for the period of February 13 to March 31, 2014. BCF-MIC's Actual Spending in 2013-2014 also includes expenses for the new bridge for the St. Lawrence corridor project (for a total of \$8,246,357). Effective February 13, 2014, the new bridge for the St. Lawrence corridor project, which was under Transport Canada, was transferred under the Minister of Infrastructure, Communities and Intergovernmental Affairs, and Minister of the Economic Development Agency of Canada for the Regions of Quebec. As this program was not part of Infrastructure Canada's Program Alignment Architecture (PAA) structure in 2013-2014, it is being reported under BCF-MIC. Note that while BCF-MIC is a contribution program, the new bridge for the St. Lawrence corridor project is a major capital project, and its spending has no relation to contributions or transfer payment programs.

6 The Canada Strategic Infrastructure Fund (CSIF)'s Planned Spending in 2014-2015 and 2015-2016 also includes the Planned Spending in 2014-2015 and 2015-2016 for the Inuvik to Tuktoyaktuk Highway program. This program was approved in November 2013 and is being reported under CSIF in the Department's Program Alignment Architecture (PAA) structure. However for 2013-2014 there were no expenses recorded under the Inuvik to Tuktoyaktuk Highway program. More information on the Inuvik to Tuktoyaktuk Highway program can be found in the [Supplementary Information Tables](#)⁹ of this report.

7 There was no 2014-2015 and 2015-2016 Planned Spending for the Municipal Rural Infrastructure Fund in the 2014-2015 Report on Plans and Priorities, as this program is currently wrapping up.

| (In Dollars) | | | | | | | | |
|--|--------------------------|----------------------------|----------------------------|----------------------------|---|--|--|--|
| Strategic Outcomes, Programs and Internal Services | 2013-2014 Main Estimates | 2013-2014 Planned Spending | 2014-2015 Planned Spending | 2015-2016 Planned Spending | 2013-2014 Total Authorities Available for Use | 2013-2014 Actual Spending (Authorities Used) | 2012-2013 Actual Spending (Authorities Used) | 2011-2012 Actual Spending (Authorities Used) |
| Strategic Outcome 3: Construction-ready infrastructure projects are provided with federal funding support ⁸ | | | | | | | | |
| Infrastructure Stimulus Fund | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 634,927,373 |
| Building Canada Fund-Communities Component Top-Up | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 136,121,759 |
| Sub-Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 771,049,132 |
| Internal Services | 35,430,534 | 35,430,534 | 1,425,483 ⁹ | 1,442,294 ⁹ | 38,347,182 | 35,404,150 ¹⁰ | 29,966,377 | 55,524,756 |
| Internal Services Sub-Total | 35,430,534 | 35,430,534 | 1,425,483 | 1,442,294 | 38,347,182 | 35,404,150 | 29,966,377 | 55,524,756 |
| Total | 3,924,705,788 | 3,924,705,788 | 3,321,597,771 | 3,179,615,619 | 4,161,606,986 | 3,513,825,491 | 3,752,656,392 | 4,540,110,273 |

1.6.1 Summary of Performance

In 2013-2014, Infrastructure Canada's achievements included activities and deliverables that allowed the Government of Canada to effectively meet its commitments with respect to federal infrastructure investments. These achievements included:

- Working with partners and stakeholders to finalize the parameters for the \$14-billion New Building Canada Fund program, leading to its successful launch on March 28, 2014. As a result, the New Building Canada Fund is officially open for business.
- Working with partners to renew Gas Tax Fund (GTF) agreements that reflect the permanency of the Fund and ensure the successful implementation of the renewed GTF in 2014.

While ensuring a smooth transition for municipalities to the renewed GTF in 2014, Infrastructure Canada continued to deliver approximately \$2 billion in 2013-2014 through this program, providing municipalities with a stable and predictable source of funding for their infrastructure priorities.

- ⁸ This Strategic Outcome has been included in these tables as it contains figures for 2011-2012, the last year that expenses were incurred under the 2009 Economic Action Plan. Since the tables require that the actual spending for 2011-2012, 2012-2013 and 2013-2014 be shown, this third Strategic Outcome is necessary to include all spending.
- ⁹ The 2014-2015 and 2015-2016 Planned Spending amounts for Internal Services only reflect opening balances of remaining funds. When the 2014-2015 Report on Plans and Priorities was created, operating funding for Infrastructure Canada had not yet been confirmed for 2014-2015 and beyond, hence there were no Main Estimates amounts available

In March 2014, Infrastructure Canada received Treasury Board approval for operating funding for the next ten years. Funding for 2014-2015 was obtained through 2014-2015 Supplementary Estimates.

- ¹⁰ Infrastructure Canada's Internal Services' Actual Spending in 2013-2014 does not include expenses for the new bridge for the St. Lawrence corridor project, as Transport Canada incurred all internal services costs for 2013-2014.

Further, Infrastructure Canada continued to administer existing programs, working collaboratively with provinces, territories and municipalities to commit the remaining funding under ongoing programs and to ensure the timely completion of projects. Overall, in 2013-2014 Infrastructure Canada made significant investments towards the construction and improvement of public infrastructure across the country, spending over \$3.5 billion while providing prudent stewardship and oversight of its programs to ensure ongoing value for taxpayers.

1.6.2 Alignment of Spending with the Whole-of-Government Framework

Alignment of 2013-2014 Actual Spending with the Whole-of-Government Framework^{iv} (In Dollars)

| Strategic Outcome 1 | Programs | Spending Area | Government of Canada Outcome | 2013-2014 Actual Spending |
|--|---|------------------|--|---------------------------|
| Provinces, territories and municipalities have federal financial support for their infrastructure priorities | Provincial-Territorial Infrastructure Base Fund | Economic Affairs | Strong Economic Growth | 191,464,385 |
| | Gas Tax Fund | Economic Affairs | Strong Economic Growth | 2,107,905,313 |
| Strategic Outcome 2 | Programs | Spending Area | Government of Canada Outcome | 2013-2014 Actual Spending |
| Funding for quality, cost-effective public infrastructure that meets the needs of Canadians in a competitive economy, a cleaner environment and liveable communities is provided | Building Canada Fund-Communities Component | Economic Affairs | Strong Economic Growth | 121,255,786 |
| | Building Canada Fund-Major Infrastructure Component | Economic Affairs | Strong Economic Growth | 703,538,461 |
| | Green Infrastructure Fund | Economic Affairs | A Clean and Healthy Environment | 85,735,908 |
| | Canada Strategic Infrastructure Fund | Economic Affairs | Strong Economic Growth | 197,363,859 |
| | Municipal Rural Infrastructure Fund | Economic Affairs | Strong Economic Growth | 42,891,190 |
| | Border Infrastructure Fund | Economic Affairs | Strong Economic Growth | 28,261,439 |
| | Economic Analysis and Research | Economic Affairs | Innovative and Knowledge-Based Economy | 5,000 |

Total Actual Spending by Spending Area (In Dollars)*

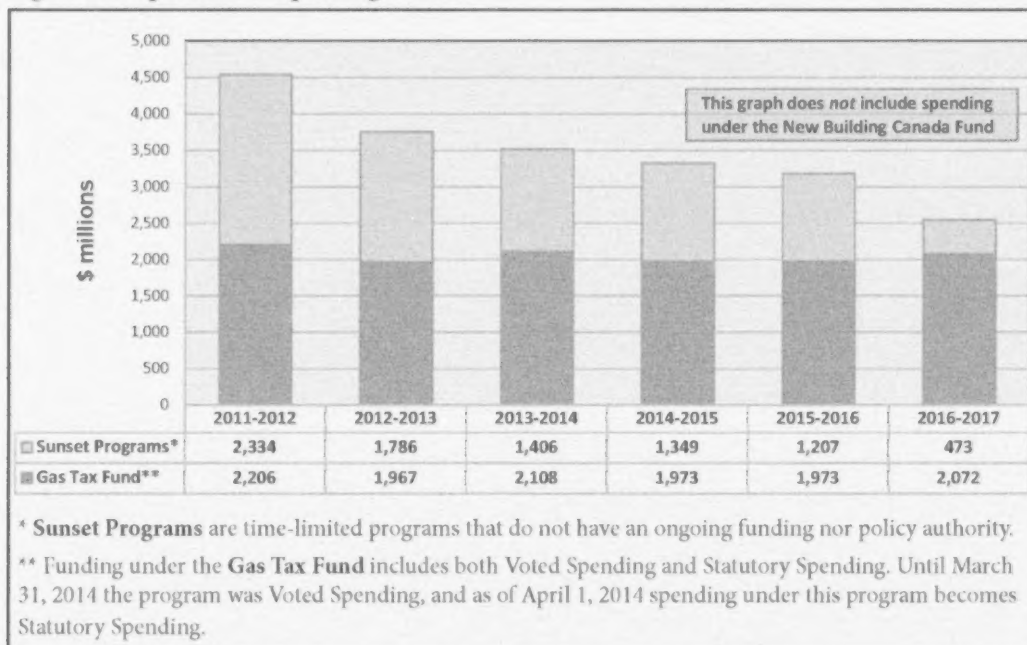
| Spending Area | Total Planned Spending | Total Actual Spending |
|------------------|------------------------|-----------------------|
| Economic Affairs | 3,889,275,254 | 3,478,421,341 |

*Note: Totals in this table include only the contributions made under the Strategic Outcomes, and do not include expenses made under Internal Services

1.7 Departmental Spending Trend

In 2013-2014, Infrastructure Canada's actual spending was over \$3.5 billion on infrastructure investments under its Programs to meet the expected program results and contribute to its Strategic Outcomes.

Figure 4: Departmental Spending Trend



Overall, **Figure 4** highlights the stability and predictability of infrastructure funding provided through the Gas Tax Fund (GTF) with spending at around \$2 billion a year. The GTF is the only transfer payment program reflected in this graph not being considered as a "Sunset Program".

In 2014-2015 and beyond, the Department will continue to flow funding under its existing transfer payment programs, as well as under the New Building Canada Fund (NBCF). Of note, this report and **Figure 4** do *not* include planned spending for the NBCF since it was not part of Infrastructure Canada's 2013-2014 Program Alignment Architecture. As such, the graph shows a general decrease in spending levels under "Sunset Programs" since existing programs, including programs under the 2007 Building Canada plan, are winding down. **Planned spending for the NBCF will be reflected in the Department's future reports.**

The peak in spending in 2011-2012 reflects the successful completion of two Infrastructure Canada programs under the 2009 Economic Action Plan (EAP): the Infrastructure Stimulus Fund and the Building Canada Fund-Communities Component Top-Up.

1.8 Estimates by Vote

For information on Infrastructure Canada's organizational Votes and statutory expenditures, consult the *Public Accounts of Canada 2014* ^v on the Public Works and Government Services Canada website.

Section II: Analysis of Programs by Strategic Outcomes

The information presented in this section is organized according to Infrastructure Canada's 2013-2014 Program Alignment Architecture structure:

Strategic Outcome 1:

Provinces, territories and municipalities have federal financial support for their infrastructure priorities.

Programs:

- Provincial-Territorial Infrastructure Base Fund; and
- Gas Tax Fund.

Strategic Outcome 2:

Funding for quality, cost-effective public infrastructure that meets the needs of Canadians in a competitive economy, a cleaner environment and liveable communities is provided.

Programs:

- Building Canada Fund-Communities Component;
- Building Canada Fund-Major Infrastructure Component;
- Green Infrastructure Fund;
- Canada Strategic Infrastructure Fund;
- Municipal Rural Infrastructure Fund;
- Border Infrastructure Fund; and
- Economic Analysis and Research.

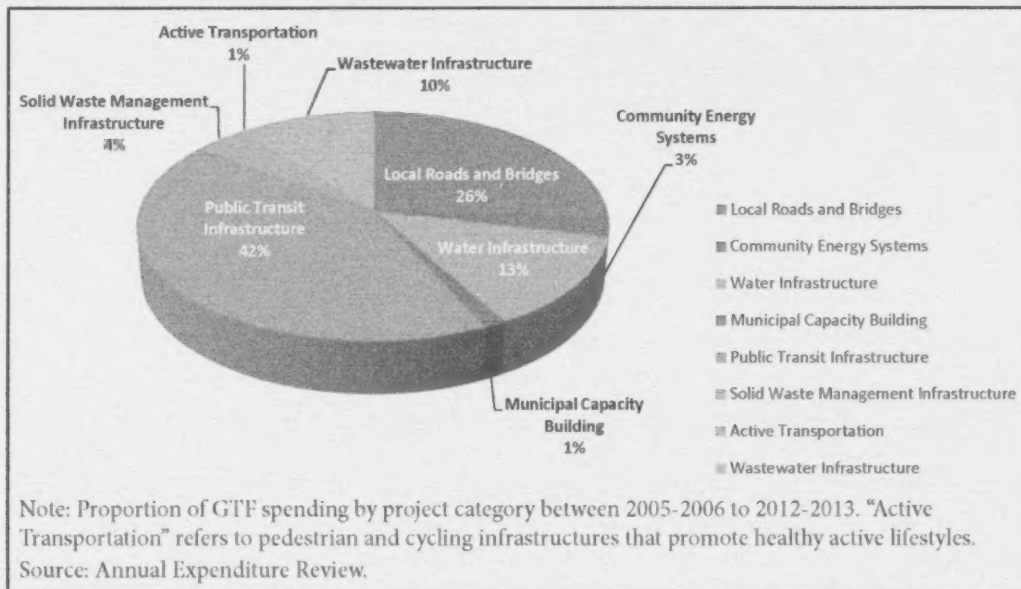
2.1 Strategic Outcome 1

Provinces, territories and municipalities have federal financial support for their infrastructure priorities.

Under Strategic Outcome 1, the Gas Tax Fund and the Provincial-Territorial Infrastructure Base Fund continued to provide stable, predictable funding for jurisdictions and offer them significant flexibility in funding their core infrastructure priorities.

Since the start of the Gas Tax Fund program in 2005, up to 2012-2013, municipalities across Canada have spent \$7.3 billion on municipal projects in areas that reflect their local priorities and needs, such as public transit, local roads and bridges, drinking water and wastewater infrastructure (**figure 5**).

Figure 5: Gas Tax Fund Spending by Project Category



2.1.1 Program: Provincial-Territorial Infrastructure Base Fund

Program Description:

This program provides base funding to each province and territory for core public infrastructure priorities. In addition, funding under the Building Canada Fund for the three territories is managed under this fund. The Provincial-Territorial Infrastructure Base Fund was designed to help provinces and territories with their infrastructure priorities. It also supports economic growth and productivity, and promotes a cleaner environment and prosperous communities. While payments are made to provinces and territories, ultimate recipients can also include local and regional governments or private sector bodies. In order for federal funding to flow, provinces and territories submit a list of infrastructure initiatives through a capital plan which must be accepted by the Minister of Infrastructure, Communities and Intergovernmental Affairs, and Minister of the Economic Development Agency of Canada for the Regions of Quebec. Payments are made in advance and cost-sharing provisions apply to a capital plan as a whole, and not to individual initiatives. Provinces and territories may pool, bank, or cash-manage these funds to give them flexibility in implementation.

Financial Resources (In Dollars)

| 2013-2014 Main Estimates | 2013-2014 Planned Spending | 2013-2014 Total Authorities Available for Use | 2013-2014 Actual Spending (Authorities Used) | Difference (Actual Minus Planned) |
|--------------------------|----------------------------|---|--|-----------------------------------|
| 265,490,056 | 265,490,056 | 321,192,991 | 191,464,385 | -74,025,671 |

Human Resources (Full-Time Equivalents (FTE))

| 2013-2014 Planned | 2013-2014 Actual | 2013-2014 Difference (Actual Minus Planned) |
|-------------------|------------------|--|
| 3 | 3 | 0 |

| Program Expected Results | Performance Indicators | Targets | Actual Results |
|---|---|---------|----------------|
| Infrastructure Canada funding through the Provincial-Territorial Infrastructure Base Fund leverages investments in infrastructure by other partners | Funding leveraged from the provinces, and other partners, as a percentage of federal funding | ≥100% | 155.8% |
| | Funding leveraged from the territories, and other partners, as a percentage of federal funding | ≥33% | 50.1 |
| Recipient organizations are accountable for funding provided through the Provincial-Territorial Infrastructure Base Fund | Number of jurisdictions in compliance with annual expenditure reporting requirements in accordance with signed funding agreements | 13 | 13 |

Performance Analysis and Lessons Learned

Following the acceleration of the Provincial-Territorial Infrastructure Base Fund (PT Base Fund) as part of the 2009 Economic Action Plan, all funds available under the Provincial-Territorial Infrastructure Base Fund (\$2.3 billion) have been committed as of March 31, 2014.

During the reporting period, seven amended capital plans were approved under two jurisdictions, committing an additional \$3.6 million in federal funding and leveraging \$6.8 million from partners for 12 new initiatives.

Provincial-Territorial Infrastructure Base Fund program parameters require provinces to cost share funds equal to the federal contribution for projects identified in their capital plans. For their part Territories are required to contribute funds representing at least a third of the federal contribution. Actual results show that provinces and territories have contributed well beyond the program's cost sharing requirements.

Infrastructure Canada continues to work with provincial and territorial governments to ensure that the required reports are submitted in a timely fashion, and the Department provides guidance on any issues that may arise during the provincial or territorial audit that would potentially delay their report submissions and related payments. To date, two jurisdictions have completed all reporting obligations and have received their final payments under the PT Base Fund.

2.1.2 Program: Gas Tax Fund

Program Description:

This program provides municipalities with predictable long-term funding, enabling construction and rehabilitation of core public infrastructure. The federal government has concluded Gas Tax Fund Agreements with provinces, territories, the Association of Municipalities of Ontario, the Union of British Columbia Municipalities and the City of Toronto, which are in effect from 2005-2006 to 2013-2014. Moreover, all Gas Tax Fund Agreements have been signed for the permanent Gas Tax Fund, starting in 2014-2015. Gas Tax Fund Agreements establish an accountability framework allowing the Government of Canada to flow Gas Tax Fund money twice a year to signatories which, in turn, flow funds to municipalities based on an agreed-upon allocation formula. For their part, municipalities decide which projects to prioritize within established investment categories. Projects focus on environmental objectives, including cleaner air, cleaner water and reduced greenhouse gas emissions, and increasing communities' long-term planning capacities. Municipalities can pool, bank and borrow against this funding, providing significant additional financial flexibility. Eligible recipients are required to report annually on their use of funds and their compliance to terms and conditions of the Gas Tax Fund Agreements.¹¹

Financial Resources (In Dollars)

| 2013-2014 Main Estimates | 2013-2014 Planned Spending | 2013-2014 Total Authorities Available for Use | 2013-2014 Actual Spending (Authorities Used) | 2013-2014 Difference (Actual Minus Planned) |
|--------------------------|----------------------------|---|--|---|
| 1,976,235,536 | 1,976,235,536 | 2,108,849,290 | 2,107,905,313 | 131,669,777 |

Human Resources (Full-Time Equivalents (FTE))

| 2013-2014 Planned | 2013-2014 Actual | 2013-2014 Difference (Actual Minus Planned) |
|-------------------|------------------|---|
| 16 | 14 | -2 |

¹¹ Legislation enacting permanent funding for the Gas Tax Fund received Royal Assent on December 15, 2011. Further, as announced in Economic Action Plan 2013, the renewed Gas Tax Fund is now indexed at 2 percent per year, and will give municipalities greater flexibility to spend federal funding on a broader range of infrastructure priorities.

| Program Expected Results | Performance Indicators | Targets | Actual Results |
|--|---|----------------|--|
| Provinces, territories and municipal associations are accountable for funding provided to local governments through the Gas Tax Fund | Percentage of jurisdictions in compliance with annual expenditure reporting and periodic outcomes reporting requirements | 100% | 93% submitted annual expenditure reports 62% submitted periodic outcome reports |
| Municipalities have access to stable and predictable funding to build and improve infrastructure | Amount of provincial/territorial allocation flowed to municipalities for spending on municipal infrastructure priorities (as a percentage of annual allocation) | 95% | 98%* |
| Gas Tax Fund promotes investments in environmentally sustainable municipal infrastructure | Value of spending on projects that promote a cleaner and sustainable environment and make communities more liveable | \$1.98 billion | \$1.72 billion** |

Notes:

* Calculation based on amounts flowed to municipalities (transferred to recipients) as reported in most recent annual expenditure report (2012-2013).

** Calculation represents actual spending in previous year (2012-2013). The province of Quebec does not provide information on project expenditures; as such, Quebec expenditures are not accounted for in this total. The total 2012-2013 allocation for Quebec was over \$463 million.

Performance Analysis and Lessons Learned

In 2013-2014, Infrastructure Canada continued to provide provinces, territories and municipalities with stable and predictable Gas Tax funding. As reported in the 2012-2013 expenditure reports, all projects funded under the Gas Tax Fund helped to build and improve public infrastructure that contributes to cleaner air, cleaner water, or reduced greenhouse gas emissions. Capacity building projects funded under the Gas Tax Fund also supported integrated municipal planning.

Progress on the completion and submission of Outcomes Reports by recipients was delayed in certain jurisdictions. Some recipients noted that the launch of negotiations for the renewed Gas Tax Fund, combined with limited capacity, resulted in an inability to finalise, approve and submit the Outcomes Reports to Infrastructure Canada.

Under the Gas Tax Fund, predetermined yearly allocations are expected to flow to provinces and territories according to a regular payment schedule. However, the release of funding is tied to the submission of an annual expenditure report (AER). Delays in compliance with this program requirement result in payment delays, which are remedied upon reception and acceptance of the reports. In 2013-2014, the submission of previous year outstanding reports explains the difference of \$131.7 million between the planned and actual funds flowed.

Infrastructure Canada also made very significant progress on the renewal of the Gas Tax Fund. Extensive discussions were held with provinces, territories and other stakeholders to finalize program parameters and, in November 2013, administrative agreements for the renewed Gas Tax Fund (2014-2015 to 2023-2024) were shared with all the signatories. Audit and Evaluation recommendations, notably in regards to improving federal visibility and communications under the program, have been implemented and revamped communications protocols are integral to all agreements. As of July 31, 2014, negotiations for the renewed Gas Tax Fund were completed and agreements signed with all jurisdictions.

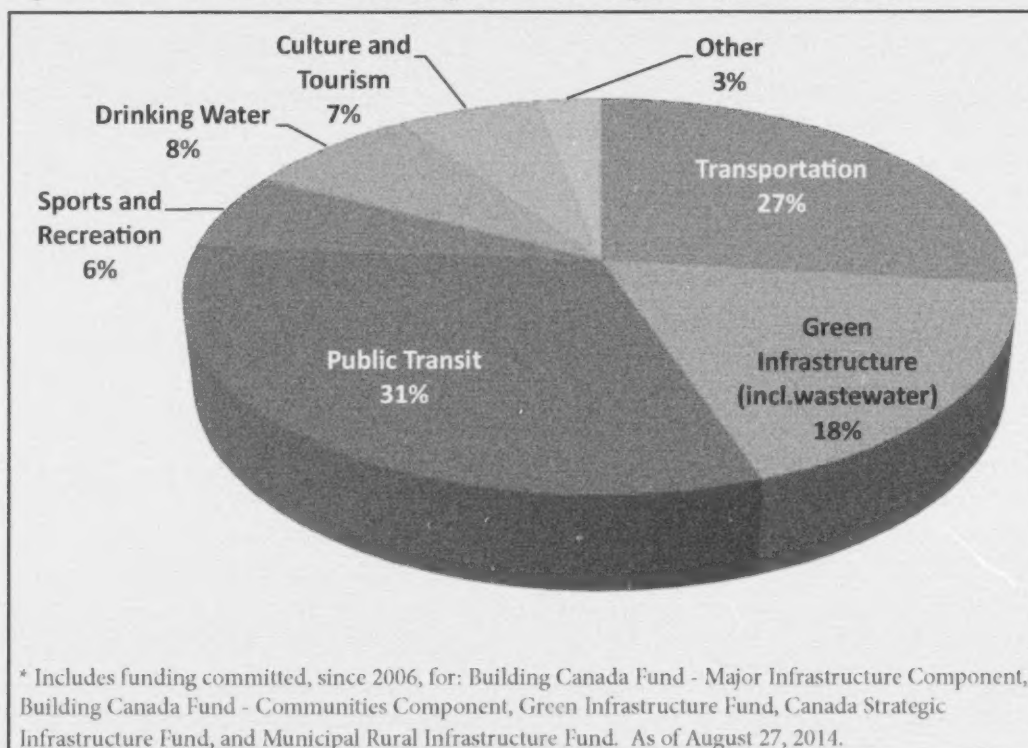
2.2 Strategic Outcome 2

Funding for quality, cost-effective public infrastructure that meets the needs of Canadians in a competitive economy, a cleaner environment and liveable communities is provided.

This Strategic Outcome reflected the Department's longer-term infrastructure programs, comprising targeted programs such as the Green Infrastructure Fund and the Building Canada Fund. The Department provides funding to partners for large- and small-scale projects as well as those with national and regional benefits. Transfer payment programs support the priorities of our partners.

Since 2006, the Department's various programs under Strategic Outcome 2 have provided over \$10.3 billion in federal funding towards provincial, territorial and municipal infrastructure projects in areas such as transportation (highways, roads, bridges and rail infrastructure), public transit, drinking water, green infrastructure (which includes green energy and wastewater infrastructure), sports and recreation, and culture and tourism. Figure 6 and the accompanying table provide more details on the number of projects and Infrastructure Canada's funding amounts by asset category.

Figure 6: Infrastructure Canada Funding under SO2 Programs by Asset Category



| Total number of projects and funding for programs under SO2, by asset category, since 2006 | | |
|--|---------------------|------------------------------|
| Project Category: | Number of projects: | INFC Funding (in million\$): |
| Transportation | 577 | 2,785.5 |
| Green Infrastructure (including wastewater) | 688 | 1,838.9 |
| Public Transit | 33 | 3,254.1 |
| Sports and Recreation | 291 | 659.9 |
| Drinking Water | 663 | 815.0 |
| Culture and Tourism | 90 | 680.7 |
| Other | 513 | 303.1 |
| Total | 2,855 | 10,337.2 |

Note: SO2 programs include: Building Canada Fund-Communities Component (BCF-CC), Building Canada Fund-Major Infrastructure Component (BCF-WWMIC), Green Infrastructure Fund (GIF), Canada Strategic Infrastructure Fund (CSIF), and Municipal Rural Infrastructure Fund (MRIF).

2.2.1 Program: Building Canada Fund-Communities Component

Program Description:

This program supports infrastructure needs of smaller communities with populations of less than 100,000. Project costs are shared with provincial and municipal governments, with each order of government generally contributing one-third of the eligible costs. The fund invests in the construction, renewal, and enhancement of basic infrastructure such as potable water, wastewater treatment, local roads, and other infrastructure needs of small communities.¹²

Financial Resources (In Dollars)

| 2013-2014 Main Estimates | 2013-2014 Planned Spending | 2013-2014 Total Authorities Available for Use | 2013-2014 Actual Spending (Authorities Used) | 2013-2014 Difference (Actual Minus Planned) |
|--------------------------|----------------------------|---|--|---|
| 188,733,842 | 188,733,842 | 188,868,012 | 121,255,786 | -67,478,056 |

Human Resources (Full-Time Equivalents (FTE))

| 2013-2014 Planned | 2013-2014 Actual | 2013-2014 Difference (Actual Minus Planned) |
|-------------------|------------------|---|
| 11 | 11 | 0 |

¹² As a result of the 2010 Strategic Review process, \$5.4 million in unallocated funds from the Building Canada Fund-Communities Component was identified for reallocation to other Government of Canada priorities. No announced infrastructure projects were cancelled, or otherwise affected as a result of these funding reallocations.

| Program Expected Results | Performance Indicators | Targets* | Actual Results |
|--|--|-----------------|-----------------|
| Infrastructure Canada funding through the Building Canada Fund-Communities Component leverages investments in infrastructure by other partners | Funding leveraged from partners as a percentage of federal funding (committed) | ≥200% | 207% |
| Infrastructure is implemented that promotes a cleaner environment for small communities | Number of projects completed that promote cleaner air, water and land and contribute to green energy | 206 projects | 194 projects |
| | Value of projects completed that promote cleaner air, water and land and contribute to green energy | \$737.6 million | \$557.5 million |
| Infrastructure is implemented that promotes a competitive economy for small communities | Number of projects completed that promote a stronger, competitive and a sustainable economy | 7 projects | 5 projects |
| | Value of projects completed that promote a stronger, competitive and a sustainable economy | \$14 million | \$8.4 million |
| Infrastructure is implemented that promotes liveable small communities | Number of projects completed that promote safety in communities and makes communities more liveable | 485 projects | 474 projects |
| | Value of projects completed that promote safety in communities and makes communities more liveable | \$1.4 billion | \$1.3 billion |

*Cumulative number/value of projects to be completed under the program, up to and including March 31, 2014.

Performance Analysis and Lessons Learned

In 2013-2014, Infrastructure Canada and its federal delivery partners made significant progress in implementing the Building Canada Fund-Communities Component program:

- 65 projects valued at \$328 million were completed;
- 20 additional projects worth \$49 million began construction; and
- 247 projects worth \$1.3 billion are still underway.

As of this fiscal period, a total of 930 projects have been funded under the program, and over \$1 billion in federal funding has been committed to these projects. Collaboration with federal delivery partners and stakeholders is effectively supporting program delivery. Over 70 percent of projects have been completed even though three years remain in the program.

Infrastructure Canada has also contributed to an additional 14 projects in Quebec through a federal allocation of \$200 million under the Large Urban Centres Component of the Building Canada Fund.

The largest investments under the Building Canada Fund-Communities Component by categories are the following: wastewater infrastructure, with a total federal investment of \$348 million; water infrastructure, with a total federal investment of close to \$260 million; and local road infrastructure, with a total federal investment of over \$172 million.

The actual number of projects completed by proponents during the fiscal year and, as a consequence, the total value of projects completed were lower than forecasted for a number of reasons including inclement weather, technical and other construction-related complexities that led to construction delays. Construction on these projects continues and Infrastructure Canada will continue to reimburse recipients as claims are submitted.

Program delivery policies and tools have been implemented to improve monitoring and reporting on the progress of the Building Canada Fund-Communities Component. These tools focus on improving reporting and data quality requirements of the program as this has been identified as an area of improvement for the program. A program evaluation is planned for 2014-2015 and recommendations will be addressed as Infrastructure Canada continues to work with the provinces to ensure that this program moves towards closure in the next three years.

2.2.2 Program: Building Canada Fund-Major Infrastructure Component

Program Description:

This program targets larger infrastructure projects of national or regional significance. It increases overall investment in public infrastructure and contributes to broad federal objectives: economic growth, a cleaner environment and strong and prosperous communities. At least two-thirds of the funding is targeted to national priorities for water, wastewater, public transit, the core national highway system, and green energy. The Major Infrastructure Component has 12 additional eligible categories of investment, and priority projects are identified through discussions with provinces. By providing federal funding on a cost-shared basis (typically up to one-half of eligible costs for provincial projects and up to one-third of eligible costs for municipal projects), the Major Infrastructure Component program leverages additional contributions from other partners to increase overall investment in infrastructure. Eligible recipients include provinces, local or regional governments and private sector bodies, including non-profit organizations. Projects must be supported by a business case and undergo a stringent federal review against key program criteria.¹³

¹³ As a result of the 2010 Strategic Review process, \$4.9 million in unallocated funds from the Building Canada Fund-Major Infrastructure Component was identified for reallocation to other Government of Canada priorities. No announced infrastructure projects were cancelled, or otherwise affected as a result of these funding reallocations.

Effective February 13, 2014, the new bridge for the St. Lawrence corridor project, which was under Transport Canada, was transferred under the Minister of Infrastructure, Communities and Intergovernmental Affairs, and Minister of the Economic Development Agency of Canada for the Regions of Quebec. As this program was not part of Infrastructure Canada's Program Alignment Architecture (PAA) structure in 2013-2014, it is being reported under BCF-MIC. Note that while BCF-MIC is a contribution program, the new bridge for the St. Lawrence corridor project is a major capital project, and its spending has no relation to contributions or transfer payment programs.

Financial Resources (In Dollars)

| 2013-2014 Main Estimates | 2013-2014 Planned Spending | 2013-2014 Total Authorities Available for Use | 2013-2014 Actual Spending (Authorities Used) ¹⁴ | 2013-2014 Difference (Actual Minus Planned) |
|--------------------------|----------------------------|---|--|---|
| 942,955,457 | 942,955,457 | 955,186,117 | 703,538,461 | -239,416,996 |

Human Resources (Full-Time Equivalents (FTE))

| 2013-2014 Planned | 2013-2014 Actual | 2013-2014 Difference (Actual Minus Planned) |
|-------------------|------------------|---|
| 22 | 34 | 12 |

| Program Expected Results | Performance Indicators | Targets* | Actual Results |
|---|--|----------------------------------|-----------------------------------|
| Infrastructure Canada funding through the Building Canada Fund-Major Infrastructure Component leverages investments in infrastructure by other partners | Funding leveraged from partners as a percentage of federal funding (committed) | ≥100% | 193% |
| Large infrastructure is implemented that promotes a cleaner environment | Number of projects completed that promote cleaner air, water and land and contribute to green energy Value of projects completed that promote cleaner air, water and land and contribute to green energy | 6 projects \$310 million | 3 projects \$160.4 million |
| Large infrastructure is implemented that promotes a competitive economy | Number of projects completed that promote efficiency and integration of Canada's transportation networks, expand broadband networks and economic development Value of projects completed that promote efficiency and integration of Canada's transportation networks, expand broadband networks, and economic development | 47 projects \$4.5 billion | 40 projects \$4 billion |
| Large infrastructure is implemented that promotes liveable communities | Number of projects completed that promote safety in communities and makes communities more liveable Value of projects completed that promote safety in communities and makes communities more liveable | 37 projects \$1.5 billion | 20 projects \$610 million |

*Cumulative number/value of projects to be completed under the program, up to and including March 31, 2014.

¹⁴ The BCF-MIC's Actual Spending in 2013-2014 also includes expenses for the new bridge for the St. Lawrence corridor project (for a total of \$8,246,357), for the period of February 13 to March 31, 2014.

Performance Analysis and Lessons Learned

In 2013-2014, Infrastructure Canada and its federal delivery partners made progress in the implementation of the Building Canada Fund-Major Infrastructure Component:

- 15 projects valued at close to \$3 billion were completed;
- 19 additional projects worth close to \$3 billion began construction; and
- 122 projects worth \$16.5 billion are still underway.

As of this fiscal period, a total of 188 projects have been funded under the program, and over \$7.2 billion in federal funding has been committed to these projects. Collaboration with federal delivery partners and stakeholders is effectively supporting program delivery. Nearly 40 percent of projects are completed.

The largest investments under the Building Canada Fund- Major Infrastructure Component by categories are as follows: public transit infrastructure, with a total federal investment of over \$3 billion, and national highway system infrastructure, with a total federal investment of over \$2 billion.

The total number of projects completed by project proponents this fiscal year and, as a consequence, the total value of projects completed were slightly lower than the planned target, as some of these large-scale and complex projects encountered delays and were not completed by year-end as forecast. Typically, project delays occur as a result of inclement weather and technical and other construction-related complexities and are beyond Infrastructure Canada's control. However, construction on these projects is ongoing and Infrastructure Canada will continue to monitor progress towards completion and reimburse recipients as claims are submitted.

Program delivery policies and tools have been implemented to improve monitoring and reporting on the progress of the Building Canada Fund-Major Infrastructure Component. It has been noted that forecasting of expenditures under the program is challenging given the large scope of project investments and uncertainties around construction conditions. Infrastructure Canada is implementing measures, such as claims procedures to improve monitoring of expenditures and forecasts. In addition, resources previously assigned to stimulus funding programs are now devoted to the delivery of the program in order to increase monitoring and due diligence capacity as Infrastructure Canada moves towards closure of the Major Infrastructure Component in the next years.

2.2.3 Program: Green Infrastructure Fund

Program Description:

This program supports environmental infrastructure projects that promote cleaner air, reduced greenhouse gas emissions and cleaner water. Targeted investments in green infrastructure can contribute to improving the quality of the environment and a more sustainable economy over the longer term. There are five eligible categories of investment: wastewater infrastructure, green energy generation infrastructure, green energy transmission infrastructure, solid waste infrastructure, and carbon transmission and storage infrastructure. By providing up to 50 percent federal funding on a cost-shared basis, the fund leverages additional investments from other partners. Eligible recipients include provinces, territories, local or regional governments,

public sector bodies, non-profit organizations and private sector companies, either alone or in partnership with a province, territory or a government body.¹⁵

Financial Resources (In Dollars)

| 2013-2014 Main Estimates | 2013-2014 Planned Spending | 2013-2014 Total Authorities Available for Use | 2013-2014 Actual Spending (Authorities Used) | 2013-2014 Difference (Actual Minus Planned) |
|--------------------------|----------------------------|---|--|---|
| 125,029,717 | 125,029,717 | 125,402,876 | 85,735,908 | -39,293,809 |

Human Resources (Full-Time Equivalents (FTE))

| 2013-2014 Planned | 2013-2014 Actual | 2013-2014 Difference (Actual Minus Planned) |
|-------------------|------------------|---|
| 29 | 14 | -15 |

| Program Expected Results | Performance Indicators | Targets* | Actual Results |
|---|---|--------------------------------|--------------------------------|
| Infrastructure Canada funding through the Green Infrastructure Fund leverages investments in infrastructure by other partners | Funding leveraged from partners as a percentage of federal funding (committed) | ≥100% | 171% |
| Infrastructure is implemented that promotes cleaner air, cleaner water and cleaner land | Number of projects completed that reduce environmental impacts to air, water and land Value of projects completed that reduce environmental impacts to air, water and land | 1 project \$142 million | 1 project \$142 million |

*Cumulative number/value of projects to be completed under the program, up to and including March 31, 2014.

¹⁵ As part of the Government of Canada's commitment to address priority initiatives within existing funding envelopes, the Government of Canada made a policy decision to transfer \$169.98 million from the Green Infrastructure Fund to other federal departments to support high-priority initiatives. Detailed information on the transfers and amounts can be found in the [Supplementary Information Tables](#)^{vi} of the 2013-2014 Departmental Performance Report.

In addition, as part of the 2010 Strategic Review process, \$45 million in unallocated funds from the Green infrastructure Fund were identified for reallocation to other Government of Canada priorities. No announced infrastructure projects were cancelled, or otherwise affected as a result of these reallocations. As well, in 2012-2013, \$58.7 million in unallocated funds from the Green Infrastructure Fund was identified as a source of funds and approved for the operating requirements of the Department for fiscal year 2012-2013.

Performance Analysis and Lessons Learned

In 2013-2014, Infrastructure Canada made progress in the implementation of the Green Infrastructure Fund. More than \$675 million in funding commitment is leveraging nearly \$1.2 billion from funding partners for a combined total investment of over \$1.8 billion towards 19 projects that will support cleaner air, water and land across the country. To date, one project has been completed and 16 more are still underway valued at over \$1.5 billion.

The largest categories of investment under the Green Infrastructure Fund are the following: wastewater infrastructure, with a total federal investment of nearly \$300 million, and solid waste management infrastructure, with a total federal investment of over \$80 million.

The implementation of the Green Infrastructure Fund has been noticeably slower than for other programs. This can be attributed to the nature of projects funded under this program which are innovative and often rely on newly developed technologies. Infrastructure Canada has met its targets under the program and will continue to oversee the implementation of project-specific agreements of the Green Infrastructure Fund, ensuring that the terms of agreements are respected and that claims for payment are processed efficiently.

2.2.4 Program: Canada Strategic Infrastructure Fund

Program Description:

This program supports projects that sustain economic growth and enhance the quality of life of Canadians. Investments are made in cooperation with the provinces, territories, municipalities, and the private sector, and contribute to the construction, renewal and/or enhancement of public infrastructure. The Canada Strategic Infrastructure Fund leverages additional contributions from other partners by providing up to 50 percent funding for eligible projects.¹⁶

Financial Resources (In Dollars)

| 2013-2014 Main Estimates | 2013-2014 Planned Spending | 2013-2014 Total Authorities Available for Use ¹⁷ | 2013-2014 Actual Spending (Authorities Used) | 2013-2014 Difference (Actual Minus Planned) |
|--------------------------|----------------------------|---|--|---|
| 289,102,147 | 289,102,147 | 300,714,738 | 197,363,859 | -91,738,288 |

Human Resources (Full-Time Equivalents (FTE))

| 2013-2014 Planned | 2013-2014 Actual | 2013-2014 Difference (Actual Minus Planned) |
|-------------------|------------------|---|
| 10 | 9 | -1 |

¹⁶ Of the \$4.3 billion originally allocated to the Canada Strategic Infrastructure Fund (CSIF), \$50 million was transferred to the Parks Canada Agency to support a high-priority infrastructure project. In addition, \$12.8 million was removed from the CSIF through various government-wide reduction and reallocation exercises prior to the 2010 Strategic Review process.

¹⁷ In 2013-2014, the Inuvik to Tuktoyaktuk Highway program, which was approved in November 2013, is being reported under the Canada Strategic Infrastructure Fund (CSIF) in the Department's 2013-2014 Program Alignment Architecture (PAA) structure. However, there were no expenses to record under the CSIF in 2013-2014. More information on the Inuvik to Tuktoyaktuk Highway program can be found in the Details of Transfer Payment Programs of the [Supplementary Information Tables](#)^{vi} of this report.

| Program Expected Results | Performance Indicators | Targets* | Actual Results |
|--|---|-----------------|----------------|
| Infrastructure Canada funding through the Canada Strategic Infrastructure Fund leverages investments in infrastructure by other partners | Funding leveraged from partners as a percentage of federal funding (committed) | ≥100% | 194% |
| Large-scale infrastructure is implemented that promotes a competitive economy | Number of projects completed that promote a stronger, competitive and a sustainable economy | 36 projects | 34 projects |
| | Value of projects completed that promote a stronger, competitive and a sustainable economy | \$4.5 billion | \$4.2 billion |
| Large-scale infrastructure is implemented that promotes liveable communities | Number of projects completed that promote liveable communities | 13 projects | 14 projects |
| | Value of projects completed that contributes to liveable communities | \$2.8 billion | \$2.6 billion |
| Large-scale infrastructure is implemented that promotes a cleaner environment | Number of projects completed that promote environmentally sustainable treatment of wastewater | 10 projects | 9 projects |
| | Value of projects completed that promote environmentally sustainable treatment of wastewater | \$859.3 million | \$640 million |

*Cumulative number/value of projects to be completed under the program, up to and including March 31, 2014.

Performance Analysis and Lessons Learned

In 2013-2014, the Department continued to monitor and deliver the program with provincial and territorial partners and Transport Canada for the Canada Strategic Infrastructure Fund:

- 7 projects valued at over \$300 million were completed; and
- 26 projects worth \$4.4 billion are still underway.

As of this fiscal period, a total of 83 projects have been funded under the program, and more than \$4 billion in federal funding has been committed to these projects. Collaboration with federal delivery partners and stakeholders is effectively supporting program delivery. Nearly 70 percent of projects are completed while three years remain in the program.

The largest categories of investment under the Canada Strategic Infrastructure Fund are the following: highway and rail infrastructure, with a total federal investment of nearly \$1 billion, and local transportation infrastructure, which consists primarily of public transit projects, with a total federal investment of close to \$900 million.

Infrastructure Canada has largely met its targets under the program and intends to continue the monitoring and due diligence of ongoing projects to ensure their completion as part of the closeout activities of the program. A recent evaluation has recommended improvements to

the project outcomes measurement in order to better report on program benefits to Canadians. Consequently, Infrastructure Canada is putting in place measures to improve project outcomes reporting for projects not yet completed.

2.2.5 Program: Municipal Rural Infrastructure Fund

Program Description:

This sunsetting program supports small-scale municipal infrastructure projects designed to promote and improve quality of life in both urban and rural communities. At least 80 percent of funding has been dedicated to municipalities with a population of less than 250,000. For most projects, the Municipal Rural Infrastructure Fund provides up to one-third federal funding for eligible projects. Its long-term commitment (since 2003) to public infrastructure helps to promote sustainable economic growth, innovation and healthy communities. Projects contribute to the construction, renewal and/or enhancement of public infrastructure to build capacity in partnership with recipients. It is delivered through a partnership with federal regional development agencies.¹⁸

Financial Resources (In Dollars)

| 2013-2014 Main Estimates | 2013-2014 Planned Spending | 2013-2014 Total Authorities Available for Use | 2013-2014 Actual Spending (Authorities Used) | 2013-2014 Difference (Actual Minus Planned) |
|--------------------------|----------------------------|---|--|---|
| 78,763,106 | 78,763,106 | 78,863,733 | 42,891,190 | -35,871,916 |

Human Resources (Full-Time Equivalents (FTE))

| 2013-2014 Planned | 2013-2014 Actual | 2013-2014 Difference (Actual Minus Planned) |
|-------------------|------------------|---|
| 8 | 7 | -1 |

¹⁸ Under the 2010 Strategic Review process, \$23 million in unallocated funds from the Municipal Rural Infrastructure Fund was identified for reallocation to other Government of Canada priorities. No infrastructure projects were cancelled, or otherwise affected as a result of these reallocations.

| Program Expected Results | Performance Indicators | Targets* | Actual Results |
|---|---|----------------|----------------|
| Infrastructure Canada funding through the Municipal Rural Infrastructure Fund leverages investments in infrastructure by other partners | Funding leveraged from partners as a percentage of federal funding (committed) | ≥200% | 253% |
| Small-scale infrastructure is implemented that promotes a competitive economy for rural and urban communities | Number of projects completed that promote a stronger, competitive and a sustainable economy | 21 projects | 21 projects |
| | Value of projects completed that promote a stronger, competitive and a sustainable economy | \$70 million | \$72 million |
| Small-scale infrastructure is implemented that promotes liveable rural and urban communities | Number of projects completed that promote liveable communities | 1,417 projects | 1,445 projects |
| | Value of projects completed that promote liveable communities | \$2.2 billion | \$2.1 billion |
| Small-scale infrastructure is implemented that promotes a cleaner environment for rural and urban communities | Number of projects completed that promote a cleaner environment | 403 projects | 417 projects |
| | Value of projects completed that promote a cleaner environment | \$1.1 billion | \$1.1 billion |

*Cumulative number/value of projects to be completed under the program, up to and including March 31, 2014.

Performance Analysis and Lessons Learned

The Municipal Rural Infrastructure Fund program formally concluded on March 31, 2014 in most provinces and territories. Over the past year, Infrastructure Canada, in close collaboration with federal delivery partners, has focused on program closeout activities. A process was developed and adopted by Infrastructure Canada and the federal delivery partners in order to have consistent and effective procedures to monitor the Municipal Rural Infrastructure Fund program closeout. Partners are now actively implementing the closeout guidelines.

Infrastructure Canada has met its targets for the year. To date, over 95 percent of projects funded under the Municipal Rural Infrastructure Fund have been successfully completed, representing \$922 million in federal funding.

2.2.6 Program: Border Infrastructure Fund

Program Description:

This program provides funding for investments in physical infrastructure, transportation system infrastructure and improved analytical capacity at the largest surface border crossings between Canada and the United States, as well as several other crossing points in Canada. Announced in Budget 2001, the fund provides up to 50 percent federal funding to support eligible projects at Canada's border crossings. Transport Canada is the federal delivery partner for this program.¹⁹

Financial Resources (In Dollars)

| 2013-2014 Main Estimates | 2013-2014 Planned Spending | 2013-2014 Total Authorities Available for Use | 2013-2014 Actual Spending (Authorities Used) | 2013-2014 Difference (Actual Minus Planned) |
|--------------------------|----------------------------|---|--|---|
| 22,965,393 | 22,965,393 | 44,177,047 | 28,261,439 | 5,296,046 |

Human Resources (Full-Time Equivalents (FTE))

| 2013-2014 Planned | 2013-2014 Actual | 2013-2014 Difference (Actual Minus Planned) |
|-------------------|------------------|---|
| 1 | 1 | 0 |

| Program Expected Results | Performance Indicators | Targets* | Actual Results |
|--|--|------------------------------------|---------------------------------|
| Infrastructure Canada funding through the Border Infrastructure Fund leverages investments in infrastructure by other partners | Funding leveraged from partners as a percentage of federal funding (committed) | ≥100% | 130% |
| Transportation system infrastructure is implemented that improves the flow of people and goods at the border crossings | Number of transportation systems projects completed that promote improvements in the efficiency and capacity at border crossings Value of transportation infrastructure systems projects completed that promote improvements in the efficiency and capacity of border crossings | 10 projects \$301 million** | 9 projects \$690 million |

*Cumulative number/value of projects to be completed under the program, up to and including March 31, 2014.

** Please note that the target provided in the 2013-2014 Report on Plans and Priorities was based on the federal portion of the total value of projects expected to be completed, rather than the total value – this figure should have been \$610 million.

¹⁹ Of the \$600 million originally allocated to the BIF, approximately \$18 million was transferred to the Canada Border Services Agency for border projects. As part of the 2010 Strategic Review process, \$10.4 million in unallocated funds from the Border Infrastructure Fund was identified for reallocation to other Government of Canada priorities. No projects were cancelled, or otherwise affected as a result of these reallocations.

Performance Analysis and Lessons Learned

As of March 31, 2014, a total of nine projects have been completed under the Border Infrastructure Fund, generating over \$690 million in infrastructure investments for transportation systems that promote improvements in the efficiency and capacity at border crossings. Since the inception of the program, the federal government has announced support for 11 border improvement infrastructure projects, with a combined total investment of \$1.2 billion.

In 2014-2015, Transport Canada will continue to support the implementation of the final two projects under the Border Infrastructure Fund on behalf of Infrastructure Canada, with a total eligible cost of \$515.2 million. A recent program evaluation has recommended to improve outcomes measurement for the program in order to better report on the program benefits to Canadians. Infrastructure Canada is putting in place measures to improve project outcomes reporting for projects not yet completed.

2.2.7 Program: Economic Analysis and Research

Program Description:

This program promotes the building, connecting and sharing of applied knowledge and research on infrastructure issues, policies and programs.²⁰

Financial Resources (In Dollars)

| 2013-2014 Main Estimates | 2013-2014 Planned Spending | 2013-2014 Total Authorities Available for Use | 2013-2014 Actual Spending (Authorities Used) | 2013-2014 Difference (Actual Minus Planned) |
|--------------------------|----------------------------|---|--|---|
| 0 ²¹ | 0 ²¹ | 5,000 | 5,000 | 5,000 |

Human Resources (Full-Time Equivalents (FTE))

| 2013-2014 Planned | 2013-2014 Actual | 2013-2014 Difference (Actual Minus Planned) |
|-------------------|------------------|---|
| 0 | 0 | 0 |

Performance Analysis and Lessons Learned

In 2013-2014, through the Building Canada Fund-National Infrastructure Knowledge Component, Infrastructure Canada provided \$5,000 to support the Northern Connections project. This project examined internet connectivity gaps in Canada's North. Other federal contributors to the project include Industry Canada, the Canadian Northern Economic Development Agency, and Aboriginal Affairs and Northern Development Canada.

²⁰ As part of the 2010 Strategic Review process, more than \$35.7 million in unallocated funds from the Economic Analysis and Research program was identified for reallocation to other Government of Canada priorities.

²¹ At the time of production of the 2013-2014 Report on Plans and Priorities, there were no planned activities under the Economic Analysis and Research program; as such, no funds were included in the 2013-2014 Main Estimates.

2.3 Program: Internal Services

Program Description:

Internal Services are groups of related activities and resources that are carried out to support the needs of programs and other corporate obligations of an organization. These groups are: Management and Oversight Services, Communications Services, Legal Services, Human Resources Management Services, Financial Management Services, Information Management Services, Information Technology Services, Real Property Services, Material Services, Acquisition Services, and Travel and Other Administrative Services. Internal Services include only those activities and resources that apply across an organization and not those provided specifically to a program.

Financial Resources (In Dollars)

| 2013-2014 Main Estimates | 2013-2014 Planned Spending | 2013-2014 Total Authorities Available for Use | 2013-2014 Actual Spending (Authorities Used) ²² | 2013-2014 Difference (Actual Minus Planned) |
|--------------------------|----------------------------|---|--|---|
| 35,430,534 | 35,430,534 | 38,347,182 | 35,404,150 | -26,384 |

Human Resources (Full-Time Equivalents (FTE))

| 2013-2014 Planned | 2013-2014 Actual | 2013-2014 Difference (Actual Minus Planned) |
|-------------------|------------------|---|
| 231 | 192 | -39 |

Results Achieved

The Results Achieved from the Planning Highlights of 2013-2014 for Internal Services focus on eight key activities, described below, which help strengthen the services that support the Department in its mandate.

Governance and Management Support

Management and Oversight:

Internal Audit and Evaluation:

During 2013-2014, the Audit and Evaluation Branch:

- Completed the following audits and reviews based on the approved risk-based audit plan and reported the results to the external Departmental Audit Committee:
 - Audit of the Financial Management Control Framework;
 - Review of Infrastructure Canada's Information Management – Data Quality Initiative; and
 - Audit of Values and Ethics.
- Completed the evaluation of the Canada Strategic Infrastructure Fund and the Border Infrastructure Fund in accordance with the approved evaluation plan. The final report will be reported to the Departmental Evaluation Committee in early 2014-2015.

²² Infrastructure Canada's Internal Services' Actual Spending in 2013-2014 does not include expenses for the new bridge for the St. Lawrence corridor project, as Transport Canada incurred all internal services costs for 2013-2014.

- Established a collaborative approach for the development of new Performance Measurement Strategies in support of future evaluations for programs such as the Gas Tax Fund and the New Building Canada Fund.
- Reviewed the implementation of outstanding audit and evaluation recommendations, and reported the results to the external Departmental Audit Committee and the Departmental Evaluation Committee respectively.

Risk Management:

During 2013-2014, the Department:

- Monitored and reported on the implementation and effectiveness of the risk responses; and
- Reviewed and updated the Department's Corporate Risk Profile through its established risk management approach including an environmental scan, risk identification and assessment, risk responses and risk monitoring.

Communications:

During 2013-2014, the Department:

- Promoted the benefits of the new \$53-billion New Building Canada Plan announced in Budget 2013;
- Increased awareness of the federal government's significant infrastructure investments to Canadians, in particular the \$2-billion annual federal Gas Tax Fund;
- Ensured that key information was readily available to local and national media through announcements and other public affairs activities;
- Improved and updated the public website with information for Canadians and stakeholders;
- Proactively outreached to media and key stakeholder organizations through conferences, key ministerial engagements and other means; and
- Provided effective internal communications support to improve organizational effectiveness, employee awareness and engagement.

Resource Management Services

Information Management/Information Technology:

During 2013-2014, the Department:

- Continued the evergreening of the Shared Information Management System for Infrastructure to prevent rust-out. The migration to the Shared Services Canada data centre will see a refresh of the hardware component of the technical architecture.
- Continued to work on the Program Information Management System (PIMS) project to improve the management of major infrastructure program information, and support the new infrastructure programs. (The first major enhancement was ready on April 1, 2014 to support the launch of the programs under the New Building Canada Fund. The project will be completed in 2014-2015).

- Continued to support the migration of the Shared Information Management System for Infrastructure data hosting to Shared Services Canada. The Department made progress on the hosting and service requirements definition and continued detailed migration planning with Shared Services Canada. (The project will be completed in 2014-2015).
- Took measures to support the Treasury Board Secretariat Directive on Recordkeeping. This project is putting in place the tools and processes necessary to ensure that information of business value is managed in accordance with updated policy requirements and best practices. (This project is to be concluded by the Treasury Board Secretariat's deadline of March 31, 2015).
- IM/IT continues to pursue operational savings by maintaining its Information Management/Information Technology contract budget at reduced levels and building internal capacity for application services, while continuing to engage the private sector in a cost-effective manner.

Financial Management:

During 2013-2014, the Department continued to strengthen the overall effectiveness of financial management by:

- Working with central agencies to confirm operating funding for 2014-2015 and beyond. This was achieved by designing the program parameters for the new permanent Gas Tax Fund and the New Building Canada Fund, as announced in Budget 2013, and determining the operating resources needed to implement existing and new programs for the next 10 years.
- Completing the documentation and the final stages of the design and operating effectiveness of entity-level controls, information technology general controls and business process controls with the expectation of completing the full assessment by June 2014.
- Refining the departmental Corporate Costing Model to support the determination of ongoing departmental operating requirements for 2014-2015 and beyond.

Human Resource Management:

During 2013-2014, the Department:

- Delivered on its Integrated Business and Human Resources Plan (IBHRP) and people management strategies to support a flexible and adaptable workforce, employee development and growth, and employee engagement;
- Continued to promote and foster a positive, healthy and inclusive workplace by providing employees with learning opportunities and recognition for their accomplishments;
- Ensured that recruitment reflected Canada's diversity, by clearly identifying the need for diversity in recruitment efforts, and identifying employment equity as an organizational requirement for appointment processes;
- Ensured the Department's culture continued to embrace diversity and a bilingual work environment by investing in language training for employees, and actively encouraging all employees to work in the language of their choice and to act as role models for each other;
- Continued to promote and communicate a departmental Code of Conduct to support Values and Ethics initiatives and guide employees in maintaining and enhancing public confidence in the integrity of the public service;

- Continued to address the priorities of the Clerk by engaging in the dialogue about the future of the public service through the Blueprint 2020 initiative; and
- Continued to promote a strong learning culture, to better coordinate and communicate learning activities and resources, and to provide targeted, relevant and innovative learning and development opportunities.

Section III: Supplementary Information

The financial highlights presented within this Departmental Performance Report are intended to serve as a general overview of Infrastructure Canada's Statement of Operations and Departmental Net Financial Position and Statement of Financial Position as presented in Infrastructure Canada's unaudited financial statements. These are prepared in accordance with accrual accounting principles and, therefore, are different from the information published in the Public Accounts of Canada, which are prepared on appropriation-based reporting.

3.1 Financial Highlights

| Infrastructure Canada Condensed Statement of Operations and Departmental Net Financial Position (Unaudited) For the Year Ended March 31, 2014 (In Dollars) | | | | | |
|--|--|-----------------------------|-----------------------------|--|---|
| | 2013-2014 Planned Results | 2013-2014 Actual | 2012-2013 Actual | Difference (2013-2014 Actual Minus 2013-2014 Planned) | Difference (2013-2014 Actual Minus 2012-2013 Actual) |
| Total expenses | 3,926,201,000 | 3,507,960,842 | 3,750,210,190 | (418,240,158) | (242,249,348) |
| Total revenues | - | - | - | - | - |
| Net cost of operations before government funding and transfers | 3,926,201,000 | 3,516,194,867 | 3,750,210,190 | (410,006,133) | (234,015,323) |
| Departmental net financial position | 3,487,000 | 3,174,955 | 2,808,346 | (312,045) | 366,609 |

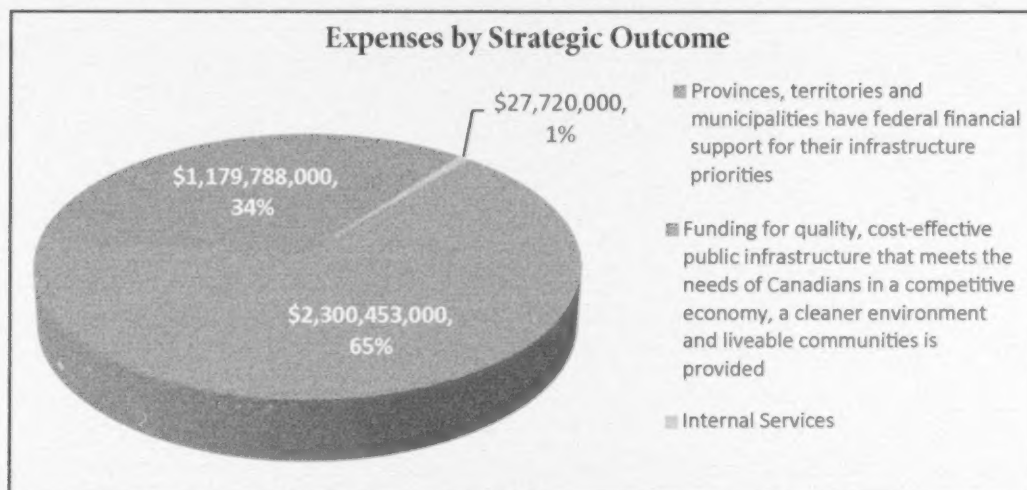
Expenses by Strategic Outcomes

Total departmental expenses have decreased by \$242 million or 6.5 percent, from \$3,750 million in 2012-2013 to \$3,508 million in the current year. This decrease resulted from 2013-2014 being a transition year to the New Building Canada Fund and with the winding down of program activities under the original Building Canada Fund, while the newly announced initiatives were largely in the formulation stages. Three programs saw a year-over-year increase in expenses: the Gas Tax Fund (\$142 million), the Municipal Rural Infrastructure Fund (\$68 million) and the Border Infrastructure Fund (\$21 million) while spending in the remaining programs declined by an aggregate of \$473 million.

Total expenses for 2013-2014 are lower by \$418 million or 10.7 percent than the planned results reported in INFC's 2013-2014 Future-Oriented Financial Statements. The variance arose due to lower than expected spending for all funds with the exception of the Gas Tax Fund, as initial spending estimates received from investment partners exceeded amounts actually expended during the year.

Transfer payments comprise the vast majority of the Infrastructure Canada's expenses (99 percent, or \$3,716 million), while Internal Services were the source of the rest of the expenses (1 percent, or \$28 million).

The following charts outline Infrastructure Canada's Expenses by Strategic Outcome:



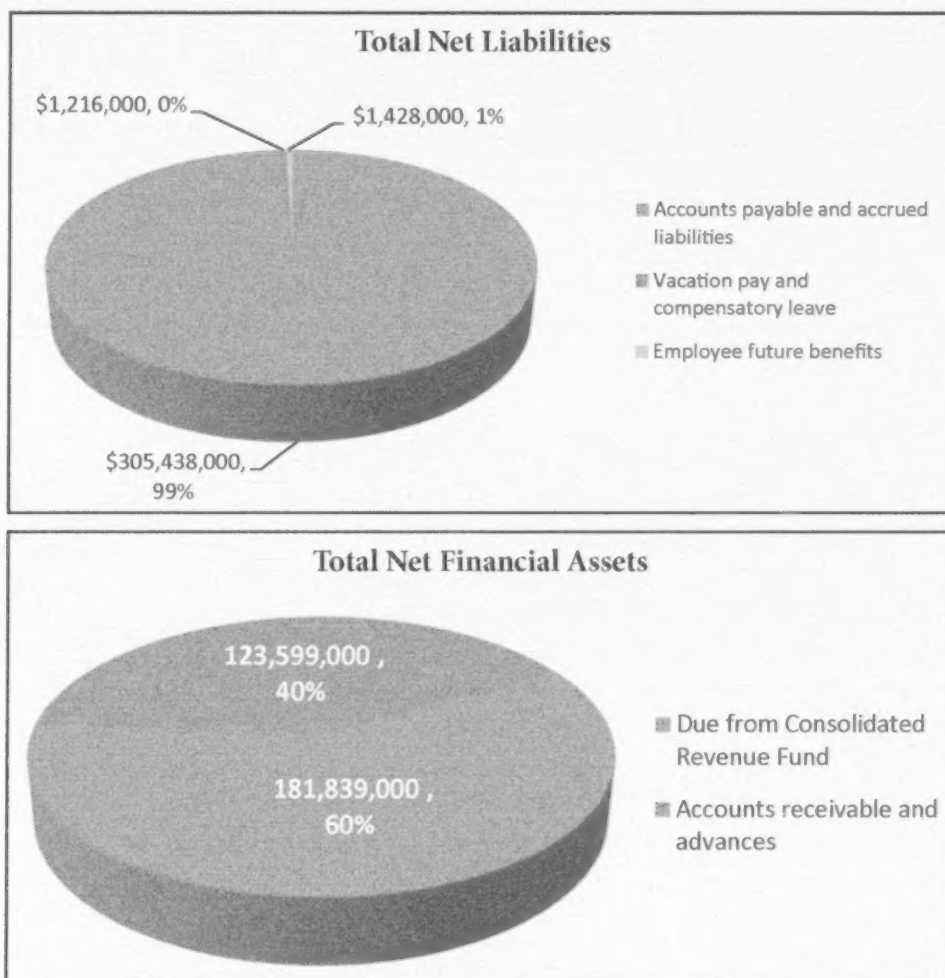
The ratios of expenses by Strategic Outcome for 2013-2014 were similar in scale to 2012-2013. Strategic Outcome 1 "Provinces, territories and municipalities have federal financial support for their infrastructure priorities" had a slightly larger percentage in 2013-2014, and this is a reflection of the stability of the Gas Tax Fund expenses year over year, while other programs cycled down slightly.

| Infrastructure Canada Condensed Statement of Financial Position (Unaudited) As at March 31, 2014 (In Dollars) | | | |
|---|-------------|-------------|--|
| | 2013-2014 | 2012-2013 | Difference (2013-2014 Minus 2012-2013) |
| Total net liabilities | 308,074,519 | 411,113,138 | (103,038,619) |
| Total net financial assets | 305,438,489 | 407,885,906 | (102,447,417) |
| Departmental net debt | 2,636,030 | 3,227,232 | (591,202) |
| Total non-financial assets | 5,810,986 | 6,035,578 | (224,592) |
| Departmental net financial position | 3,174,955 | 2,808,346 | 366,609 |

Total net liabilities decreased by \$103 million, as lower program payables reduced the amounts owing by over \$102 million.

Total net financial assets have decreased by \$102 million as a result of the lower program payables reducing the associated amount due from the Consolidated Revenue Fund. Accounts Receivable rose by over \$100 million year over year due to higher recoverable advances for Grants & Contributions, but the category impact is offset in the amount due from the Consolidated Revenue Fund account.

The following charts outline Infrastructure Canada's net liabilities and net financial assets.



3.2 Financial Statements

Infrastructure Canada's [Financial Statements](#)^{vi} can be found on the Department's website.


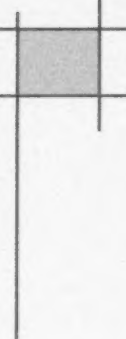
3.3 List of Supplementary Information Tables

The following [Supplementary Information Tables](#)^{vii} are available electronically on Infrastructure Canada's website.

- Details of Transfer Payment Programs
- Horizontal Initiatives
- Departmental Sustainable Development Strategy
- Response to Parliamentary Committees and External Audits
- Internal Audits and Evaluations

3.4 Tax Expenditures and Evaluations

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance publishes cost estimates and projections for these measures annually in the *Tax Expenditures and Evaluations*^{viii} publication. The tax measures presented in the *Tax Expenditures and Evaluations* publication are the sole responsibility of the Minister of Finance.



Section IV: Organizational Contact Information

For more information about the Department, please visit www.infrastructure.gc.ca or contact:

Infrastructure Canada
180 Kent Street, Suite 1100
Ottawa, Ontario
K1P 0B6

National information line on infrastructure: 613-948-1148

Telephone toll free: 1-877-250-7154

TTY #: 1-800-465-7735

For more information about infrastructure programs, please visit www.infrastructure.gc.ca.

Appendix: Definitions

appropriation: Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

budgetary expenditures: Include operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

Departmental Performance Report: Reports on an appropriated organization's actual accomplishments against the plans, priorities and expected results set out in the corresponding Reports on Plans and Priorities. These reports are tabled in Parliament in the fall.

full-time equivalent: Is a measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

Government of Canada outcomes: A set of 16 high-level objectives defined for the government as a whole, grouped in four spending areas: economic affairs, social affairs, international affairs and government affairs.

Management, Resources and Results Structure: A comprehensive framework that consists of an organization's inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcome(s) to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.

non-budgetary expenditures: Include net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

performance: What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve and how well lessons learned have been identified.

performance indicator: A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

performance reporting: The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

planned spending: For Reports on Plans and Priorities (RPPs) and Departmental Performance Reports (DPRs), planned spending refers to those amounts that receive Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their RPPs and DPRs.

plans: The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

priorities: Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Strategic Outcome(s).

program: A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

results: An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

Program Alignment Architecture: A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

Report on Plans and Priorities: Provides information on the plans and expected performance of appropriated organizations over a three-year period. These reports are tabled in Parliament each spring.

Strategic Outcome: A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

sunset program: A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

target: A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

whole-of-government framework: Maps the financial contributions of federal organizations receiving appropriations by aligning their Programs to a set of 16 government-wide, high-level outcome areas, grouped under four spending areas.

Endnotes

- i. *Canada Strategic Infrastructure Act*,
<http://laws-lois.justice.gc.ca/eng/acts/c-10.3/page-1.html>.
- ii. *Keeping Canada's Economy and Jobs Growing Act*,
http://laws-lois.justice.gc.ca/eng/annualstatutes/2011_24/page-1.html.
- iii. *Economic Action Plan 2013 Act*,
http://laws-lois.justice.gc.ca/eng/annualstatutes/2013_33/page-1.html.
- iv. Whole-of-Government Framework, <http://www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx>.
- v. Public Accounts of Canada 2014, <http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html>.
- vi. Financial Statements, <http://www.infrastructure.gc.ca/pub/fs-cf/fs-cf-2014-eng.html>.
- vii. Supplementary Information Tables, <http://www.infrastructure.gc.ca/pub/index-eng.html>.
- viii. The Tax Expenditures and Evaluations publication can be found on the Department of Finance Canada's website at: <http://www.fin.gc.ca/purl/taxexp-eng.asp>.